S. HRG. 103–287

NOMINATIONS OF JEFFREY E. GARTEN, LAURI J. FITZ-PEGADO, JOHN DESPRES, AND WILLIAM J. GILMARTIN

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Nominations of Jeffrey E. Garten, L... NG

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COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

NOMINATIONS OF:

JEFFREY E. GARTEN TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE

LAURI J. FITZ-PEGADO TO BE ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN COMMERCIAL SECTION

JOHN DESPRES TO BE ASSISTANT SECRETARY OF COMMERCE FOR EXPORT ENFORCEMENT

WILLIAM J. GILMARTIN TO BE ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT FOR CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS

OCTOBER 4, 1993

Printed for the use of the Committee on Banking, Housing, and Urban Affairs

U.S. GOVERNMENT PRINTING OFFICE

74–249 CC WASHINGTON : 1993

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-043216-2

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NOMINATIONS OF:

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MONDAY, OCTOBER 4, 1994

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:07 a.m., in room SD–538 of the Dirksen Senate Office Building, Senator Donald W. Riegle, Jr. (chairman of the committee) presiding.

OPENING STATEMENT BY CHAIRMAN DONALD W. RIEGLE, JR.

The CHAIRMAN. The committee will come to order.

Let me welcome all those in attendance this morning, and I want to especially welcome our nominees and their family members and friends. We look forward to hearing from the nominees this morning.

We have scheduled this hearing today to review four nominees for important Government posts. Three of the positions deal with international trade issues at the Commerce Department and one is for the top Congressional Affairs position at the Department of Housing and Urban Development.

The nominees are Jeffrey Garten, nominated to be Under Secretary of Commerce for International Trade; Lauri Fitz-Pegado, nominated to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service; John Despres, nominated to be the Assistant Secretary of Commerce for Export Enforcement; and William Gilmartin, nominated to be Assistant Secretary of Housing and Urban Development for Congressional and Intergovernmental Relations.

The three Commerce positions for the individuals I have mentioned provide very important functions in directing U.S. export and trade policy. The Under Secretary of International Trade is responsible for determining policies and directing programs concerning import administration, international trade and commercial policy and trade promotion. The Director General of the United States and Foreign Commercial Service represents U.S. businesses abroad and has a duty to identify and report on any impediments to the export of U.S. goods and services to our current and potential trading partners. And the Assistant Secretary for Export Enforcement plays a key role in protecting U.S. national security and foreign policy interests by preventing diversions of U.S. goods and technology to unauthorized uses and of course to find any illegal exports.

It is vital that the United States maintain a competitive edge in the global marketplace. In recognizing the importance of U.S. exports to American competitiveness, Congress passed the Export Enhancement Act of 1992. This Act created the Trade Promotion Coordinating Committee which was given a statutory mandate to bring greater coherence to our export promotion programs.

And just this past week here in this room this committee held a hearing on the progress that the TPCC has made in reviewing current export promotion programs. The TPCC's report entitled "Toward A National Export Strategy," provided recommendations on how to increase U.S. competitiveness through strengthening this country's export promotion efforts.

Today's hearing is timely because the TPCC's report presents recommendations that affect each task at hand for all three of our Commerce Department nominees. Clearly U.S. exports means U.S. jobs and better paying jobs. It is estimated that export related jobs pay 17 percent more on the average than do other average American jobs.

Growing markets in Asia and Latin America and the birth of new markets in Eastern Europe and the countries of the Former Soviet Union show great promise for potential U.S. exports. The United States must be ready to sell its products and services to these markets, keeping in mind this country's economic as well as security interests, and that of course is the job for these three nominees.

So I look forward to hearing the ideas each Commerce nominee has on how we will meet the current challenges we face in U.S. export policy. We are going to start with Mr. Garten, and then we'll ask the other two commerce nominees to testify in that order.

Senator Rockefeller I know is en route and wants to make some initial comments with respect to a nominee. So we'll accommodate him when he arrives.

Also, my good friend and former House colleague, Congressman Traxler is here today for that purpose as well.

Congressman Traxler, let me invite you to come on up now with Mr. Gilmartin, and let's have you make your introductory comments, and then you will be able to leave if your schedule so requires.

Congressman TRAXLER. Mr. Chairman, the nominee, I'm certain will magically appear at any moment.

[Laughter.]

The CHAIRMAN. Well why don't you take a seat, and I have a feeling that he will make a quick appearance, as he has just done.

Mr. Gilmartin, let me just let you sit in that chair and, instead, I'll have Senator Rockefeller also come up and sit with Congressman Traxler, former House Member Traxler.

Senator Rockefeller, please be seated. I know both of you are here to make introductory comments. I just recognized a former House Member and friend of mine from Michigan, Congressman Traxler to go ahead and make his comments, and so I'll go ahead and do that, and then I'll go right to you, Senator Rockefeller.

BOB TRAXLER, A FORMER U.S. MEMBER OF CONGRESS FROM THE STATE OF MICHIGAN

Mr. TRAXLER. Thank you very much, Mr. Chairman.

It's a distinct honor and a sincere pleasure to introduce to this committee and yourself Mr. Bill Gilmartin, the President's nominee to be Assistant Secretary of Housing and Urban Development for Congressional and Intergovernmental Relations.

I've know Mr. Gilmartin for nearly 20 years, and you are also acquainted with him, Mr. Chairman, as I recall. Bill served as my Legislative Director in my Washington office for nearly 7 years and as my key personnel office assistant for appropriation matters in the 4 years I served as Chairman of the VA, HUD and Independent Agencies Appropriations Subcommittee in the House.

As you will note from Bill's resume, he has been with the Congress for his entire 20 years in Washington. I know of no one who has greater knowledge and appreciation for the working of the U.S. Congress than does Bill.

In my judgment, his grasp of substantive issues in the vast and wide jurisdiction of the subcommittee on HUD, VA, NASA, EPA and FEMA enabled him to act as personal liaison with constituents, other Members of the Congress, Senators, agency officials, Appropriations Committee staff and lobbyists representing the myriad of organizations with an interest in the subcommittee's jurisdiction.

And Bill's superior communications and interpersonal skills invariably have won him rave reviews as one of the best people to deal with on or off the Hill, a high tribute.

I know Bill will make a valuable contribution to the Clinton administration's effective dealings with the U.S. Congress. He has previous experience and a special affinity for the Department of Housing and Urban Development gained while serving as a Senior Legislative Assistant from 1978 to 1981 in the Carter administration in the very office, incidentally, that he's being named to head today.

He possesses the working knowledge of advising the Secretary with respect to legislation, Congressional relations and policy matters affecting State and local governments, and he has the necessary experience in coordinating the activities of program offices in developing the Department's legislative program and aiding and resolving interdepartmental policy differences on legislative matters.

His tenure in the legislative and management positions attest to his abilities to deal effectively with complex issues and difficult situations yielding him high praise and enormous respect from all who know him.

I thank you, Mr. Chairman, for this opportunity to speak on behalf of my friend and my former colleague and staff person, Mr. Bill Gilmartin.

The CHAIRMAN. Thank you very much, Congressman Traxler. It's very special to have you here before this committee and it brings back many fond memories going back to your first election to the House all those many years ago. So it's a special treat to have you here today.

Mr. TRAXLER. Thank you, Mr. Chairman.

The CHAIRMAN. I appreciate your comments about Mr. Gilmartin. They are very important supporting remarks on his behalf.

Mr. TRAXLER. Thank you.

The CHAIRMAN. Thank you. Let me allow you to stay or go as your time requirements necessitate.

Let me now say to Senator Rockefeller that it's a great pleasure to have you before this committee. I'm not sure you've testified here before. So I may want to quiz you on a number of subjects, other than this nominee, now that we have you here.

[Laughter.]

But it's a great pleasure to have you in this committee room today because of the great fondness that we share for one another and the fact that we have the privilege of sitting beside one another on the Finance Committee and working together on so many issues.

I think it's a great tribute to the nominee that you're about to speak in behalf of that you've taken the time to come and make these comments today, and we would like to hear from you now.

SENATOR JOHN D. ROCKEFELLER, IV FROM THE STATE OF WEST VIRGINIA

Senator ROCKEFELLER. Thank you, Mr. Chairman.

It is true that I've never testified before your committee in any way, shape or form, and I do so therefore with great pride this morning and also because of my feeling for Jeff Garten.

But I must say also it's a great honor just to sit here and look slightly up at you, Mr. Chairman, because, as you indicated, I think there is a very good and deep relationship between us and we agree on almost everything in life, and I'm very proud to have your attention.

The CHAIRMAN. Thank you.

Senator ROCKEFELLER. Jeff, unfortunately, is not a West Virginian.

[Laughter.]

So it would be reasonable to ask why I would be here, and the reason is because I think the position for which he has been nominated is incredibly important. Your committee, Mr. Chairman, had a great deal to do with passing some of the legislation that he, if confirmed, will be carrying out, and also because I'm really impressed by his background. I think he will do a terrific job if he is confirmed by the Senate, which I hope he will be.

He is an academic, which sometimes is kind of a bad thing to be around here, but he is also who has had experience in the Government world, and in fact extensive experience in the Government world, and also in the private sector both here and overseas. So I think that he experience is deep and broad.

If you review his writings, which are quite fulsome, I think you will find somebody who is adept at looking at what I would call the big picture on trade policy and on export policy and on a variety of other subjects, too, and in understanding how the trading system is changing and at figuring out what we need to do about that system which is changing.

There is no question that one of our major priorities, which is held on a very bipartisan basis in Congress, is export promotion. It's an easy word to say, but it's quite stunning, it seems to me, in looking back over at least the years I've been in the Senate at how inept we've been at it. I think part of it is our fault in Congress and I think part of it has been the people who have been in the administration.

This committee and particularly you, Mr. Chairman, and Senator Sarbanes, as I indicated, played an absolutely major role last year in launching a complete review of the way export promotion is done and the whole structure within which it's done.

The result of last year's legislation in fact came out last week, and that was the Trade Promotion Coordinating Committee, the TPCC Report which had been due and which was put forward. The TPCC is largely part of this committee's legislation and its recommendation embody many of the other specifics that you, Mr. Chairman, and your committee developed last year.

Jeff of course was not involved in the development of that report, and he has not been confirmed, but he and his staff will be responsible for much of its implementation. I have talked with him at length about it because in my position on the Commerce Committee I have taken a very, very aggressive interest in export promotion and have worked closely with Senator Sarbanes and yourself in legislation which passed here last year.

I've talked to Jeff Garten about this at great length and I can assure the committee that he is wholeheartedly behind the goals not only of that legislation but also what his position would entail, and I have great confidence in his ability to carry them out.

Finally, and I'm particularly glad that you are the person that I'm testifying to, Mr. Chairman, because this is a subject of enormous importance to me and I know to you and I think other Members of this committee as well.

I questioned Jeff Garten very closely on his views about the Uruguay Round and also more specifically his views about the Dunkel draft. We used to say the Dunkel text, but we're not allowed to say that any more because he's no longer around. So we talk about the

Dunkel draft. No matter what you call it, it has got major problems, and I think that you, Mr. Chairman, and I have been working and preaching about that for some time, particularly in the area of dumping and subsidies and dispute resolution and dispute settlement.

On these points I found Jeff, and I questioned him at great length about that, because that is almost kind of like a litmus test to me if you're going to serve in anything that has to do with the outside world, and I found him convinced of the seriousness not only of the problem that we have, but committed to the administration's position that the loop holes have to be plugged. His subsequent written responses to my questions in which I further probed that further satisfied my concern toward anybody who might come forward.

So I commend him to you very strongly. He is an enormously good person, which quite frankly I think counts for a lot in life and I overlaps into professional activity. I commend him to you. I think he has a superb intellect with practical business and practical real world experience. I think he will be one of the administration's outstanding appointments in the trade area and I highly recommend him.

I thank the Chair.

The CHAIRMAN. Thank you very much.

Let me just say before you both leave if I got the news account right this morning, and I think I did, although I was kind of passing by the TV set at a rapid speed, but I think I heard this morning that Congressman Bob Michel is announcing his retirement today. Have you heard this?

I'm seeing some affirmative nods behind you, Congressman Traxler, but I'm reminded of this because I decided just last week to follow the example you set for me when you decided to leave the Congress after your last term. This is sort of the season for it, and it sounds as if Bob Michel is the latest one to join that growing list.

Mr. TRAXLER. You know, Mr. Chairman, if I may make a comment on that point, you of course served with Bob Michel and were good friends of his and remain good friends, as I am.

The CHAIRMAN. We were Republicans together at that time.

Mr. TRAXLER. I might say that my sense is that this institution, the U.S. Congress, is going to be much worse off for both of your departures.

The CHAIRMAN. Well thank you.

Mr. TRAXLER. You're a fine gentleman, and of course Bob Michel is outstanding, and one wonders who is going to be here in the years to come that is going to have the respect for the institution and the knowledge of the institution that both of you have shown in the course of your careers.

I can only hope that there will be successors who have that appreciation and who are willing to stand for a separate but equal branch of Government called the Legislative and I'm troubled by that. I speak as a citizen of course, but I'm troubled by that.

The CHAIRMAN. Bob Michel is a very special person and public servant. We had a chance to talk at some length recently when we were flying out and back together to the funeral of Congressman Paul Henry in Michigan, and we were reflecting on some of the

things over the years when we were both serving together as Republicans in the House.

But the thing that I'm most struck by about Bob Michel is the extraordinary degree to which he understood the need for bipartisanship, that there could be differences and had to be differences, but they could be handled in a way that did not involve being disagreeable in an extreme way or, you know, sort of pounding the motives or the purposes of the person contending on the other side.

I think he was one of those people that was always trying to knit the Congress together across the party line, as you have to do. I mean at the end of the day the two parties have to work together if this country of ours is really going to succeed in terms of representative Government.

Mr. TRAXLER. Well do you think, Mr. Chairman, that came as a result of the years of service that he had on the Appropriations Committee.

The CHAIRMAN. I think so.

[Laughter.]

I was going to ask you if Mr. Gilmartin can also make sure that we keep the funding for season. Can we do that from his location if we confirm him here?

Mr. GILMARTIN. I know you're working on it.

[Laughter.]

The CHAIRMAN. Yes, we are indeed.

Thank you both. We're delight to have you both this morning.

Mr. TRAXLER. Thank you, Mr. Chairman.

Senator ROCKEFELLER. Thank you.

Mr. Garten, let me invite you to come forward first here.

The CHAIRMAN. I want to make sure I'm not misunderstood. I confirmed that, and what Bob Michel's announcement is today is that he will not be seeking re-election. I don't know if I used the word resigning. If I did, I didn't mean to. But he will finish this term and, like others of us, will not be seeking re-election. In any event, it will be a great loss to the Congress.

Mr. Garten, you've been nominated to be the Under Secretary for International Trade with the Commerce Department. We had the opportunity to talk for a bit the other day, and you've appeared before this committee before.

You come well equipped for that job by your prior Government experience and your private sector experience, including an assignment in Japan, and the thought you have given to important trade and finance issues over the years is evidenced by your very numerous writings.

As I say, you're no stranger to this committee, having appeared here twice just last year to give your views on important international trade and economic issues. You've also written a book entitled "A Cold Peace" about the need for America to develop a national economic strategy to compete in the post-cold-war international economy. That is an idea I very much share and have advocated as well for a number of years.

I want to welcome you to the committee and after I swear you in I want to invite you to introduce any people that may be with you, family members or others, and then we would like to hear your opening comments.

Before that, let me ask you to stand and raise your right hand.

[Chairman Riegle and Mr. Garten both stand and Mr. Garten raises his right hand.]

Do you swear that the testimony your about to give is the truth, the whole truth and nothing but the truth so help you God?

Mr. GARTEN. I do.

The CHAIRMAN. Do you agree to appear and testify before any duly constituted committee of the Senate?

Mr. GARTEN. I do.

The CHAIRMAN. Very good.

Welcome again and make any introductions you would like, and then we would like your comments.

STATEMENT OF JEFFREY E. GARTEN, PRESIDENTIAL NOMINEE TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE

Mr. GARTEN. Well I would just like to start by introducing my wife, Ina Garten, who has come for the hearings.

The CHAIRMAN. We're delighted to have you. Welcome.

Mr. GARTEN. I have prepared a written statement, Mr. Chairman which I would like to submit for the record.

The CHAIRMAN. Without objection, so ordered.

Mr. GARTEN. And if you would permit me just to take 2 minutes to outline a few thoughts.

The CHAIRMAN. Please take whatever time you need.

Mr. GARTEN. I would like to begin by thanking President Clinton for nominating me and Secretary Brown for supporting the nomination. And I would like to thank the Members of this committee for having taken quite a bit of time over the last couple of weeks to meet with me, and I would particularly like to thank the members of the staff who have also been extremely generous with their time.

I recognize that this committee has played and will play an absolutely critical role in the evolution of American trade policy, and I would like to commend you, Mr. Chairman and the Members of this committee for the work that you have done over the last several years; work that has heightened the national awareness of America's need to compete in the world, of the handicaps that we have, and of the policies that other countries are following which make this an extremely difficult environment for us.

I would like to commend you for your intense focus on Japan in particular and the problems that have arisen for us in the world economy relating to Japan.

I would like to commend you for your intense focus on the whole area of financial services and the trade barriers that we face in helping our financial firms to break into foreign markets.

And of course I would like to commend you for all the work that has been done here concerning export promotion itself, and as has been mentioned already a few times, for the work that you have done concerning the Export Enhancement Act, which I consider to be the inspiration behind the administration's efforts to piece together, for the first time, a coherent export promotion policy.

The CHAIRMAN. Let me just stop you to thank you for such generous personal comments. I also wouldn't want the moment to pass

without an acknowledgement for the very important leadership of Senator Sarbanes, who has really been so important in this area. We've worked closely together, along with other Members of the committee, but I accept those very gracious remarks, not just in my own name, but in his as well.

Mr. GARTEN. The position for which I've been nominated, Mr. Chairman, is one of exceptionally broad responsibility. I would like to just tell you very succinctly what I consider should be my major goals and objectives.

First, as Senator Rockefeller said, I commit to you to uphold to the best of my ability the unfair trade laws, to make sure that they are rigorously enforced, and to make sure that in any international negotiations, the Commerce Department does everything it can to protect the law.

Second, Mr. Chairman, I commit to you to be extremely vigorous in following up on the recommendations of the TPCC in promoting American exports wherever and however we can.

And third, as a broad objective I see my role as helping to further long-term U.S. commercial interests, in arguing the case for those interests in interagency councils, and in attempting to further those interests in international negotiations.

I would submit that my performance should be measured against a few criteria, such as, will the work that I do lead to an improvement in the American standard of living, will the work that I do lead to the creation of more jobs and better jobs; and will the work that I do contribute to an enhanced sense of economic security for the American people.

And, finally, Mr. Chairman, let me just make one remark about agriculture. It has arisen in certain parts of the Senate a sense that I may not be a 100 percent behind American farmers and ranchers.

This is not the case. Although agriculture is not a formal part of my mandate at the Commerce Department, I would like you and the Members of this committee and the Members of the Senate to know that in everything that I do, as I will have the interests of American workers at heart, I will also have the interests of America's farmers, and that at no time will I attempt to trade off the interests of one group against the other.

I am acutely aware of the importance that agriculture plays in American society, of its importance in American trade, and it's importance in the fabric of American life across the country.

Mr. Chairman, I am delighted to be here and I would welcome your questions.

The CHAIRMAN. Thank you very much.

Let me ask you this. In creating a coordinated export promotion program you're going to need to consider how the available resources can best be allocated among competing needs. You sort of touched on that in your summary, and we touched on that the other day when we spoke.

But I'm wondering what your thoughts are on how we're going to prioritize. What geographic markets should be emphasized and for what kinds of industrial type products?

Mr. GARTEN. Well, as you know, I haven't been in the administration yet and I can't claim to know all of the work that has been

done so far. But I think this issue of prioritization is absolutely crucial, and what I can say is that in heading up the working groups of the TPCC I will make this a very high priority, both with regard to the allocation of resources and the allocation of efforts.

I do feel, Mr. Chairman, that without such prioritization we will have an extremely unfocused effort and that all the excellent work that has been done so far will be dissipated. So I commit to you to make that kind of prioritization one of my first objectives.

The CHAIRMAN. And when do you think we might be able to get a sense for what that judgment will look like after you've sort of gathered in the reins here?

Mr. GARTEN. Assuming that I am confirmed, and assuming that happens reasonably soon, I will make this one of the first things that I do, and I would think it would take a few months in order to establish at least enough of a prioritization to come back and report to you.

The CHAIRMAN. All right. I do want to hear from you on a timely basis as to what your plan is, and I want to be able to understand it and talk to you about it.

Let me move to the issue of Japan and auto trade. In early 1992, as you know, the Japanese made clear commitments to increase automobile parts purchases from traditional United States domestic suppliers.

Rather than editorialize on it myself, which is a temptation, let me ask you, do you think they have lived up to these commitments and, if not, what is the administration going to do to make sure that those commitments are met?

Mr. GARTEN. Well again, Senator, not being in the administration, I'm not in a position to speak for it, but let me say this, that I believe that the imbalance in trade between the United States and Japan is an extremely dangerous development in terms of international trade in the course of the world economy, and I would see that one of my major objectives as a Senior Trade Official would be to focus on that with great intensity.

I'm also aware that when it comes to autos and auto parts, this is by far the largest segment of the United States/Japan trade imbalance, and I would spend a tremendous amount of time attempting to rectify that balance to the maximum degree possible.

In response to your specific questions, I don't know what the administration would be prepared to do if that imbalance is not changed, but I can assure you that I would represent the side of the argument which says that we must put as much pressure as is feasible on that part of the trade question.

The CHAIRMAN. I think those numbers really have to come down because they are hurting us. You can't drain capital. Any time you've got a bilateral trade deficit of $60 billion or thereabouts and you're losing $5 billion a month net, that really hurts a country and hurts the job base and especially in this particular sector because so much of the activity is in autos and auto parts, despite the currency value changes.

I'm very interested in seeing you follow through on that because I think that's an issue that really has a multiplier effect on jobs here in this country. So I'll look forward to sort of measuring what is done there.

Mr. GARTEN. I look forward to working with you on that.

The CHAIRMAN. Let me now move to fair trade in financial services, which you also mentioned in your statement. As you know, Senator Garn and I worked for many years to try to get legislation enacted, and I want to continue to do that now with a bipartisan basis.

We've been negotiating extensively with Japan now for over a decade to open its financial markets to U.S. firms, but, as you know, without great success. It's been as tough as nails. You told me a story, as a matter of fact, about your days in American Express, and how impenetrable it was to really break in regardless of competitive merit and intention.

Yet in that same period, Japanese financial firms have expanded very rapidly in our markets. So there really is sort of a one-way street here to their benefit and not a two-way street, which there ought to be.

Do you think that we need to strengthen our bargaining hand by passing legislation such as the Fair Trade in Financial Services Act, which has already passed the Senate now several times?

Mr. GARTEN. Well I agree with you that the barriers to entry in Japan are far greater than the barriers to entry into the United States and, as in the auto area, I think this situation is unhealthy, inadvisable and I think it's something that we have to work on.

I haven't reviewed the latest version of the legislation, but I would look forward to doing that. I can assure you that this is an area where I have a great interest based on my attempts in the business world to enter the Japanese market in financial services.

The CHAIRMAN. Let me just say that we need to push ahead in that area. So again I want to monitor what we actually do so that we start to see some change and some change in the direction of fairness and help for us.

Finally, and I'm going to give you some questions for the record, but I'm just going to ask you one more now while you're here in the room.

On the disclosure form you filed with this committee you indicated you worked as a consultant to the Toyota Motor Company, USA during 1991 and 1992 and received $5,000 in income from Toyota for each year.

For the record can you describe what the job consisted of and will this in any way, in your mind, interfere with your being able to be a strong advocate for United States auto part sales in Japan?

Mr. GARTEN. In those 2 years I was part of a three-person advisory panel, including other members who were Jerry Curtis, who teaches Japanese studies at Columbia, and Joan Spero, who is now Under Secretary of State.

We met twice a year at dinner with one or two Toyota executives. The subjects of the meetings had nothing to do with the automobile business. It was more academic and more theoretical discussion about where the world was headed.

At the time I was writing a book about the United States, Japan and Germany. So my part in those dinner meetings was to talk about Germany and the European Community, which was a hot subject at that time.

We had a focus on Europe and on the future of United States/Japan relations. One of the meetings was devoted to the future of the Soviet Union, and one of the meetings was devoted to the oil market after the Gulf War.

The point, Mr. Chairman, is that this was only tangentially related to anything that I would do regarding the negotiation of a better balance between autos and auto parts between the United States and Japan.

But let me answer the question very directly. Absolutely nothing about my activities in those 2 years would influence me in any shape or form from defending the interests of American companies and American workers, and if confirmed I would look forward very much to representing those interests.

The CHAIRMAN. Well I believe you and I accept that comment from you, and I thought it was important that that be put upon the record and that you have a chance to make that statement.

I'm going to give you some other questions that I would like you to respond to for the record, and then I want to move forward with a favorable recommendation to the committee as promptly as we can. So let me thank you very much for your testimony and excuse you now, and we'll call our next witness forward.

Mr. GARTEN. Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you.

Let me now invite Lauri Fitz-Pegado, who has been nominated to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service to come forward.

We're delighted to have you with us today. I want to say a few things, and then I'm going to invite you also to introduce anybody that may be accompanying you that you would like to have us meet.

In the position that I've just described you will be in charge of our front-line troops in this trade battle that goes on each day, the men and women in our overseas embassies who actually serve as Foreign Commercial Service Officers.

If confirmed, you'll assume a most important job, and this committee will be very interested in working closely with you to help find new export and expanded export opportunities for our American companies and in a sense our American workers.

Let me now ask you to stand as well to administer the oath to you. If you will raise your right hand.

[Chairman Riegle and Mrs. Fitz-Pegado both stand and Mrs. Fitz-Pegado raises her right hand.]

Do you swear that the testimony you've about to give is the truth, the whole truth and nothing but the truth so help you God?

Mrs. FITZ-PEGADO. I do.

The CHAIRMAN. Do you agree to appear and testify before any duly constituted committee of the Senate?

Mrs. FITZ-PEGADO. I do.

The CHAIRMAN. Very good.

Why don't you be seated now and introduce anyone that you would like us to be aware of, and then we'll hear your statement.

Mrs. FITZ-PEGADO. Thank you, Senator. My husband is here, Fernando Pegado.

The CHAIRMAN. A pleasure. Welcome.

STATEMENT OF LAURI J. FITZ-PEGADO, PRESIDENTIAL NOMINEE, TO BE ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE

Mrs. FITZ-PEGADO. Chairman Riegle, thank you for convening this hearing. It's an honor to appear before you today and to have been nominated by President Clinton to be Assistant Secretary and Director General of the United States and Foreign Commercial Service at the Department of Commerce.

If confirmed, I would be responsible for the management and oversight of a network of domestic and overseas offices and the Washington headquarters. I have long viewed the United States and Foreign Commercial Service as an important dimension of the United States' export promotion network, contributing to U.S. competitiveness and creating more high-paying jobs at home.

In many ways, Mr. Chairman, I have been in training for this position all of my life. As I reflect on my experiences, learning Spanish in the public school system, as an exchange student in Spain as part of the Vassar and Wesleyan program, a graduate student of international relations at Johns Hopkins School of Advanced International Studies, a Foreign Service Office in Latin America and the Caribbean and a public affairs Strategist, I have accumulated skills uniquely appropriate for fulfilling the responsibilities of this position.

I am challenged by the prospect of leading the United States and Foreign Commercial Service at this critical time when the Clinton administration is identifying vehicles to promote economic growth and new employment opportunities for all of our citizens. Export promotion, a primary responsibility of the United States and Foreign Commercial Service, is indeed a vehicle toward reaching these goals.

Last week this committee received the first report of the Trade Promotion Coordinating Committee, "Toward a National Export Strategy." I'm aware of the instrumental role Members of this committee have played toward encouraging the development of a comprehensive plan to improve the export promotion programs of the Federal Government, services, manufactured and agricultural products.

I also am familiar with the report's recommendations and welcome the prospect of participating with you in further development of this strategy and its implementation. If confirmed, Mr. Chairman, I would consider this one of my highest priorities.

As this committee is acutely aware, exports have contributed 60 percent of the growth of the U.S. Gross Domestic Product during the period of 1988 to 1992. The impact on job creation has been great. Every time we sell $1 billion of American products and services, we create 20,000 high-value and high-paying jobs.

Clearly many of the recommendations in the report, ranging from the establishment of one-stop-shops in the domestic field for marketing and finance counseling to improved coordination of country teams at U.S. missions aboard, have a direct impact on the United States and Foreign Commercial Service.

I will focus on trade finance as a priority of improving export opportunities, particularly for small- and medium-sized companies.

Enhancing market opportunities for U.S. exporters should include expansion into emerging markets as well as traditional priority markets.

Coordination of trade promotion activities are essential on the inter-agency as well as intra-agency level. To that end, I look forward to working with my colleagues in the International Trade Administration to develop and implement strategic policy and promotion programs.

My own vision for the United States and Foreign Commercial Service is the integration of the domestic and overseas information systems, career opportunities, strategies and services. The 1988 Omnibus Trade and Competitiveness Act suggested the merits of greater integration. A recent report by Commerce's Inspector General also indicates the importance of further integrating United States and Foreign Commercial Service domestic and overseas staff.

Additionally, Mr. Chairman, my personal commitment is to ensure that the United States and Foreign Commercial Service is more representative of the diversity of the American population. By pursuing these objectives, the United States and Foreign Commercial Service will reach its fullest potential.

If confirmed, I would be honored to be part of this country's effort to promote the competitiveness of U.S. products and services abroad and to create employment opportunities for Americans through opening markets and enhancing U.S. trade opportunities.

Thank you very much, and I would be pleased to answer your questions.

The CHAIRMAN. I appreciate your statement.

Let me say that the new national export strategy that was released by Secretary Brown before this committee just last week pledges to target our export promotion activities toward those sectors in countries that have the greatest potential for U.S. exports, and this may require a shift in resources of the United States and Foreign Commercial Service.

I'm wondering as you sit here today and look forward, how do you plan to identify those priorities and shift resources to those priority areas as you would see them?

Mrs. FITZ-PEGADO. Mr. Chairman, I believe that the Trade Promotion Committee Report, "Toward An Export Promotion Strategy," does outline a resource allocation plan which establishes both a process and criteria. It would be a cross-cut and it would be a unified budget. It would not look at agency specific objectives, but would be one to try to look at priorities for this country as a whole.

Specifically regarding the United States and Foreign Commercial Service, I would look forward, if confirmed, to reviewing the recommendations through the NEC and OMB process of what the priorities might be for this administration and for this country and to try to work with my colleagues within ITA to identify and reflect upon the sectors that would be a priority and those markets and to make the appropriate adjustments in the United States and Foreign Commercial Service staffing patterns to accommodate those recommendations.

The CHAIRMAN. How long do you think it might be before we would start to see some moving around of focus and resources?

Mrs. FITZ-PEGADO. My understanding is that there have been discussions already at the NEC and OMB about this unified budget and about assessing the priorities of this administration, and I would hope that in coordination with that TPCC process that ITA could work effectively within the next few months to have an idea at least of how that should happen.

The CHAIRMAN. Tell me how you plan on coordinating your efforts to prioritize markets for export promotion activities and to tie those together with the efforts of our trade negotiators in prying open some of these foreign markets.

Mrs. FITZ-PEGADO. The Commerce Department, Mr. Chairman does work very closely with USTR, with the State Department and with other agencies. I believe that the effort to coordinate efforts in the promotion arena to look at policy priorities as well as promotion and to have them come together strategically is one of the goals of this strategy that was presented and also would be one of my desires to work effectively with other agencies in the policy area as well as promotion.

I believe that my own exposure as a Foreign Service Officer at the U.S. Information Agency and working with the State Department and having had the experience of working with many agencies overseas at U.S. Missions has given me a sense of how that team work can work effectively for promoting our goals, and I would endeavor to do so in the position.

The CHAIRMAN. Let me ask you this. In your disclosure form you filed with the committee you indicated you had represented several foreign governments during the past 11 years when you worked for the firm of Hill and Knowlton.

I have two questions. Let me pose them both and then maybe you can answer them both together.

No. 1, will you recuse yourself from working on matters dealing with these governments and, No. 2, do you realize that if confirmed you will under President Clinton's Executive Order never be able to represent a foreign government again?

Mrs. FITZ-PEGADO. Mr. Chairman, I have worked with the General Counsel's Office at the Commerce Department in terms of my recusal statement. I will indeed recuse myself from working with any of my former clients within the last year. I will check with General Counsel if any of those issues come up to determine the appropriateness of my involvement, and I will indeed comply with the Ethics Pledge of the Clinton administration in full.

The CHAIRMAN. And you realize of course that that prohibits any future representation of a foreign government again?

Mrs. FITZ-PEGADO. Yes, I do, sir.

The CHAIRMAN. Very good. I assumed you did, but I just wanted to make sure that we put that on the record so that if anybody who wants to raise the question, the question has been answered here by you in this setting.

We are going to have some additional questions for you for the record, and we'll get those to you as soon as we can, and then we'll move forward.

Mrs. FITZ-PEGADO. Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much. Good luck to you.

Let me now call forward Mr. John Despres who has been nominated to be Assistant Secretary of Commerce for Export Enforcement.

Let me just say as you're taking your seat that we have a statement from Senator Bradley that we welcome getting, and we'll make that a part of the record at this point.

You have been nominated for the position of Assistant Secretary for Export Enforcement, and as such you will provide overall direction to the enforcement of our national security and foreign policy and in short supply export controls.

You come very well equipped for that job having worked with Senator Bradley on these issues for many years. He wanted to be here to introduce you, but had to be out of town this morning. But the fact that he feels so strongly and he has spoken to me about you, his presence is felt without his body actually being in the room. And, as I say, we'll make his statement a part of the record.

Now if I can ask you to stand and raise your right hand.

[Chairman Riegle and Mr. Despres both stand and Mr. Despres raises his right hand.]

Do you swear that the testimony you've about to give is the truth, the whole truth and nothing but the truth so help you God?

Mr. DESPRES. I do.

The CHAIRMAN. Do you agree to appear and testify before any duly constituted committee of the Senate?

Mr. DESPRES. I do.

The CHAIRMAN. Very good. Let me now invite you to introduce anybody that may be with you today. I notice another esteemed former colleague of Senator Bradley's with you, and anybody else that you may have, and then we'll hear your statement.

Mr. DESPRES. I would like to introduce my wife, Gina, whom you know as a former staffer.

The CHAIRMAN. I do indeed.

Mr. DESPRES. And my mother, Joanne, from California, who is a former employee of the Commerce Department before I was born.

The CHAIRMAN. Very good. Well the 1930's were good years, and some of us came on line in the 1930's. So we remember the 1930's, you know, with great fondness. So thank you for your past service.

We would like to hear from you now.

JOHN DESPRES, PRESIDENTIAL NOMINEE, TO BE ASSISTANT SECRETARY OF COMMERCE FOR EXPORT ENFORCEMENT

Mr. DESPRES. With your permission, Mr. Chairman, I have five brief points to make.

The CHAIRMAN. All right.

Mr. DESPRES. First, I am honored to have been nominated by President Clinton and to be considered by the Banking Committee as the Assistant Secretary of Commerce for Export Enforcement. If confirmed by the Senate, I will do my best to enforce the Export Administration Act.

Second, coherent policies and programs are needed to prevent, investigate and sanction illegal exports and violations of anti-boycott rules. Stronger enforcement of streamlined export controls should promote both U.S. economic interests in export-led growth and U.S. security interests in non-proliferation.

Third, to stem the spread of massively destructive weapons, exemplary U.S. export enforcement should be a model for all countries who seek a safer world. Moreover, leading U.S. export law enforcers should act as mentors in helping them stem proliferation. These are priorities on my agenda.

Fourth, I look forward to working with this committee on new legislation that will be needed early next year to bar potentially harmful exports and to resist illegal foreign boycotts.

Last but not least, I welcome this opportunity to respond to any questions you or other Members of the committee would like me to answer either now in person or later in writing.

The CHAIRMAN. Very good. I thank you for that statement. We will have some additional questions for you for the record. I've got three that I want to put to you today and we may have follow-ups as we go here.

President Clinton has stated that we need to tailor export controls to the new realities of a post-cold-war world, and indeed he has already acted upon that by announcing the administration's new policy for greatly liberalizing export controls, as you know, on computers and telecommunications equipment.

I would like you to tell us what you see as the export enforcement role in the changing export control environment and what your priorities will be if you're confirmed in this position.

Mr. DESPRES. As indicated in my initial remarks, I believe that stronger enforcement of export controls on a smaller set of items is needed to protect American security interests in the post-cold-war world. That is, as the scope of controls narrows, enforcement should focus on that hard core of truly strategic items that are potentially most dangerous in contributing to foreign countries' efforts to develop and produce weapons of mass destruction. It becomes all the more important that our enforcement efforts concentrate on preventing, and when prevention fails, investigating and sanctioning those illegal exports.

The CHAIRMAN. You talk about tightening it down, but what kinds of things?

Mr. DESPRES. Well it's technology, equipment, and materials that contribute most to the production of weapons of mass destruction, dual-use items that in the wrong hands can help foreign countries get the means of threatening and severely damaging their neighbors, or even the United States.

The CHAIRMAN. Let me move to the area of multilateral versus unilateral controls. Obviously multilateral controls are most effective and we can participate with many other nations in export control regimes, such as COCOM, the missile technology control regime, the nuclear suppliers group and the Australia group.

In your opinion, do you think the United States should use unilateral controls if we cannot get the kind of multilateral cooperation we would like?

Mr. DESPRES. For the most part, multilateral controls are the only effective means of preventing foreign countries from acquiring technology that is widely available. Only in the instance where the United States is the sole supplier can unilateral controls deny foreign countries access to potentially dangerous goods.

In addition, though, there are foreign policy controls that are adopted not for their effect on foreign countries' access to individual items, but as expressions of the American people's determination to resist the policies of those countries, terrorist countries, countries that are waging wars of aggression, countries that have committed outrages against their own people. In those instances, there are times when the Congress, the American people and the administration decide that unilateral controls are worth imposing if only to ensure that the United States is not a party to the aggressive and outrageous behavior of foreign countries, and I would support those when there is a consensus for them.

The CHAIRMAN. Let me finally ask you, and then I'll go to Senator Domenici for any questions he may have or any comments he wants to make about you or previous nominees. In recent years we've seen evidence of a greater need to control items that would prevent proliferation of weapons of mass destruction.

I'm wondering what you see as the enforcement challenges in this area, and if you're confirmed what you have in mind to do to meet these challenges.

Mr. DESPRES. This is a very great challenge indeed because much of what is needed to produce weapons of mass destruction is widely available, and therefore the United States cannot on its own deny or even seriously impede access. It therefore must work with its friends and allies around the world, all countries who share our interests in preventing or at least slowing proliferation to impose controls which when imposed multilaterally may be effective, but if imposed unilaterally will not be.

This is an ongoing effort and it requires diplomacy to seek and reach agreements on what should be controlled and the role of enforcement is to reinforce that diplomacy with programs and policies to strengthen other countries' enforcement of the controls that they have agreed to, and I regard this as one of the priorities of the position that I've been nominated to hold.

The CHAIRMAN. Very good. I'll have other questions for you for the record, but let me now yield to Senator Domenici for any comments and points he has.

OPENING COMMENTS BY SENATOR PETE V. DOMENICI

Senator DOMENICI. Thank you very much, Mr. Chairman.

I'm sorry I was late. I've had the opportunity of meeting Jeffrey Garten. I understand you have already inquired.

The CHAIRMAN. Yes.

Senator DOMENICI. I understand that he has a very broad base of experience, especially in international trade and from what I can tell I look forward to supporting him.

I would have asked him and will perhaps put in the record a question regarding a product in New Mexico, but I think the question has some generic significance.

As we probably all know, the former Soviet Union countries are having a very difficult time selling their products in the world market because they don't know anything about a price structure in their countries. So if they have a surplus or an abundant supply of something like potash, they just sell it for almost whatever some

trading company will give them and in normal circumstances that would be dumping.

But it's very difficult under existing laws to deal with those kinds of things, and I would have asked him how they intend to deal with that kind of situation in the future and in particular with potash, and I will ask him that. But I intend to vote for him.

Might I just say to you, Mr. Despres, while in the past perhaps this job would have gotten by very easily, you know, kind of so what, it seems to me you become very important, because everybody understands, and certainly this administration understands that some of the controls we have on exports now especially in high-tech areas, computers and the like, don't really make any sense, and that you are now charged with a new world and a whole new concept of making sure that in the interest of the past we don't bog down the future of our companies trying to sell in this marketplace.

Some have gotten out of the market internationally because they are so frustrated with the regime of export controls, and I assume, although I did not read your statement, that you're aware of this very serious problem and you are part of a new era of trying to fix that up. Is that a fair assessment?

Mr. DESPRES. That is, Senator Domenici, and I welcome your observations because I regard the trimming and indeed fairly radical slimming of the export control list that the administration has undertaken as a real advance in focusing on those items that really count.

I might add that it does complicate the enforcement of controls and requires that we make sure that items that can contribute to foreign weapons programs that we're concerned about don't get into the wrong hands, and in a sense that is a more difficult enforcement problem than simply banning them or barring them from being exported, which is relatively simple.

Senator DOMENICI. Well it's obvious that you were chosen because you know something about this area. Frankly, I would merely say as one Senator, and I don't speak either for the Minority and obviously not for the Majority, but if you find ensconced in this law that you're now trying to enforce some areas that need change up here as compared with out there, I don't think you ought to be reluctant to tell us about it.

It's obvious to me that there has got to be something on the books right now with reference to export control that has little or not relevancy to the world we live in. We sometimes say well, you dumb bureaucrats, you can't fix things, but sometimes the law doesn't let you fix them, right? It's not your fault. It's not that you're dumb, but you're real active and you're trying to do your best.

So I would urge if you find those nuances that need fixing, tell us about them. I don't think you ought to be reluctant. Frankly, if I were in your shoes I would be verbose about them.

Mr. DESPRES. I appreciate the invitation. I'm not shy. And since the Export Administration Act is expiring next year and will presumably be renewed, I look forward to working with you and your staff on this.

Senator DOMENICI. Thank you very much, Mr. Chairman. I have nothing further.

The CHAIRMAN. Thank you, Senator Domenici.

Thank you, and I think we've covered the ground. We'll have some questions for the record. We wish you well. We'll excuse you now and go to our final nominee of the morning.

Mr. DESPRES. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Gilmartin, do you want to come forward now.

Our last nominee this morning is Mr. William Gilmartin who has been nominated to serve as Assistant Secretary for Congressional Relations and Intergovernmental Affairs at the U.S. Department of Housing and Urban Development.

The Assistant Secretary for Congressional Relations and Intergovernmental Affairs plays an important role in policy-making by serving as the link between the agency, Congress and State and local governments.

This nominee is particularly well suited for this position, as former Congressman Traxler pointed out earlier today. He has spent the last two decades in various capacities working in or with the U.S. Congress.

He began his career in 1971 as a Congressional liaison with the U.S. Army. He then served on the Congressional staff of Congressman Traxler, and then later served as Legislative Director playing a key role in staffing the HUD, VA Appropriations Subcommittee, which Mr. Traxler at that time chaired in the House. He also served in HUD's Office of Congressional Affairs during the Carter administration.

So I'm very pleased that President Clinton has nominated you to this post, Mr. Gilmartin. I've known you from your days on the House side with Congressman Traxler, who has been kind enough to come speak in your behalf and to remain here with you today, and again more recently when you've worked as a Legislative Officer at HUD, and I believe that you will be an excellent catalyst for good working relationships between the Congress and the Department and a highly effective legislative strategist who will help ensure that the job gets done.

I also want to say for the record and also to my colleague from New Mexico that the glasses that I wear sort of work at different distances. So at this distance at the committee table I don't need them, but further out in the audience I do, and I was looking out there and I finally spotted a former executive secretary of mine, Susan Nelson, who is out there in the audience and now works over in that area of the Government, and I want to just acknowledge her presence and welcome her.

And Terry Duvernay is further back in the room——

[Laughter.]

—and Marilyn Davis who is with him, very dear friends, and we're delighted that you're here as well today.

And we had another person, Jo Ellen Urban, a former staff person who was here along with the contingent from the Commerce Department.

So in any event it's a little bit like old home week.

So welcome all. And there may be others around here now, and I feel like I had better take a closer look.

In any event, let me ask you to stand and raise your right hand as I administer the oath.

[Chairman Riegle and Mr. Gilmartin both stand and Mr. Gilmartin raises his right hand.]

Do you swear that the testimony you've about to give is the truth, the whole truth and nothing but the truth so help you God?

Mr. GILMARTIN. I do.

The CHAIRMAN. Do you agree to appear and testify before any duly constituted committee of the Senate?

Mr. GILMARTIN. I do.

The CHAIRMAN. Very good. If you want to be seated, please.

We are delighted to have you. We would like to have your statement now. We'll make your full statement a part of the record and any comments you would like to make and anybody you might like to introduce here.

STATEMENT OF WILLIAM J. GILMARTIN, PRESIDENTIAL NOMINEE, TO BE ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT FOR CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS

Mr. GILMARTIN. Thank you very much, Mr. Chairman. Good morning, and good morning, Senator Domenici.

Before proceeding with brief remarks, I would like to introduce you to my wife, Lois Starkey. I believe Lois is known to this committee through her work with the National Trade Industry Association. She is now the owner and operator of a small book store and art gallery in Gettysburg, Pennsylvania. And although she is getting to live the idyllic life in the country during much of the week, her love and support have sustained me in my desire to stay in Washington to work in public service.

The CHAIRMAN. Very good. We're delighted to have you.

Mr. GILMARTIN. As you pointed out, I'm very honored to have in the room this morning, Deputy Secretary Terry Duvernay, Assistant Secretary for Administration, Marilynn Davis and Deputy Assistant Secretary for Intergovernmental Affairs, Choco Meza.

Also in the audience this morning are many members of the Congressional and Intergovernmental Relations Office at HUD, and I would like to publicly thank them all this morning for all of the help and support they've given over the past several months.

Two people not here today, but certainly whom I would like to acknowledge are my parents, Doris and Tom Gilmartin. It is only through their love, sacrifice, support and example that I'm here before you today.

I certainly am humbled by the trust and honor bestowed upon me by President Clinton's nomination and the opportunity to work side by side with Secretary Henry Cisneros and the outstanding team that I believe he has assembled at HUD.

The position of Assistant Secretary for Congressional and Intergovernmental Relations is a position, that I believe I've been in training for all my life. In fact, my interest in politics goes all the way back to days spent stuffing flyers under windshield wipers for

Senator John Kennedy's re-election in 1958 back in my home town of Chicopee, Massachusetts.

My first opportunity to work with the Congress came as an enlisted man in the U.S. Army in the early 1970's. Assigned to the Army's Congressional Liaison Office in the House of Representatives I gained firsthand exposure to the way things really work here.

Most importantly it provided me with a deep understanding of the basis on which I feel the Congress operates, namely, constituent service and timely and trustworthy communication between the Executive and Legislative Branches.

If I didn't fully appreciate those facts when I left the Army's Liaison Office, they were certainly reinforced when I joined then freshman Congressman Bob Traxler's office. I considered him then and still do today one of the all-time champion constituent service Members of Congress. He was truly—first, last, and always—the people's representative.

And while mere words can never express all the respect and affection I feel for Bob, I'll be forever grateful for and proud of my association with him, and I thank him very much for being here.

During my first tenure at HUD under the Carter administration I was able to broaden my knowledge of the workings of the House and now the Senate while becoming more focused on the programs of one Federal agency, an agency with a crucially important role to play in improving the quality of life for all our citizens.

Returning to Mr. Traxler's office, as he indicated in his remarks, over the last 4 years when he was Chairman of the House VA, HUD Appropriations Subcommittee, I assisted him in communicating with many agencies and many interest groups, State and local officials, nonprofit organizations, business representatives and Members of Congress who each year presented their arguments for a portion of the VA, HUD Subcommittee's allocation.

This experience during a time of ever-tightening Federal budgets ingrained in me the real understanding that the Federal Government must indeed be reinvented. We simply do not have the resources to continue business as usual. Heretofore sacrosanct programs may need to be altered to improve program delivery while also producing savings.

Communicating that fact then was a large part of my job for the last seven years and will continue I fear to be a part of my job on both the Congressional and Intergovernmental sides of the office if the committee and the Senate see fit to confirm my nomination.

As we move forward now under the leadership of Secretary Cisneros with the process of reinventing HUD, we can and must build upon what we know works so that we can improve our performance consistent with those fiscal constraints.

We thank you, Mr. Chairman and Members of the committee, for moving on HUD's first legislative proposals this year.

At his confirmation hearing you asked the Secretary to identify statutory impediments to efficient program delivery, and he has proposed changes particularly in the area of multifamily property disposition that will help us to better serve our cities, our citizens in need and our taxpayers.

This committee is working hard on these proposals and the Secretary and the Department thank you very much for your cooperation.

Mr. Chairman, I would like to capsulize the role I see for the Office of Congressional and Intergovernmental Relations. It is to facilitate communication and consultation between HUD and the Congress and between HUD and our Nation's cities, States, public housing agencies and other housing development and service provider groups.

Beyond facilitating communication, the Office has a service function that relates to its nature as the initial point of contact for Members of Congress, State and local officials and others. We will be the ombudsmen, if you will, within HUD providing information, getting answers and helping to resolve problems.

If confirmed to this Office, I will strive to ensure the efficient delivery of information and services to the Congress and State and local officials to better serve the housing initiatives of the Clinton administration.

I hope for ours to be a continuing, free flowing give and take of views, and I especially hope you will let me know when and how can we be doing better.

Thank you very much for your consideration of my nomination, and I would be happy to take any questions.

The CHAIRMAN. Very good, and thank you for a important and detailed statement.

As I have now scanned the room I see Nancy Barber out there, and I want to just acknowledge her. I don't want to miss anybody that I ought to put on my list of people. There maybe others. So if I missing somebody, send a note up here.

[Laughter.]

First of all, I think you've gone a fine job already in terms of working with this committee on housing related matters, and I thank you for that and that's a great start into this role that we're here about today.

Mr. GILMARTIN. Thank you, Mr. Chairman.

The CHAIRMAN. In this position you'll be responsible for acting as a liaison between HUD and the State and local levels of government, and for many years state and local Governments have expressed frustration that the Department has not been sufficiently responsive to their needs.

I wonder if you can share with the committee what goals you may have set to improve the Department's relationship with State and local governments and to thereby improve implementation of programs out at the State and local levels.

Mr. GILMARTIN. Yes, indeed. Thank you, Mr. Chairman. My main goal in improving relations with State and local governments and the other housing oriented groups and institutions that I mentioned in my testimony is to set up regular systematic meetings and consultations with those officials and representatives of different governmental levels.

It one thing to communicate in times of legislative emergency if an amendment is on the floor, but my goal is to establish a regular systematic communication with those groups, monthly meetings, for example.

Our Office of Intergovernmental Relations has already been putting in place systems that we hope will achieve that, and I feel that there is nothing that can substitute for regular communication to build trust and confidence, and that's what we intend to do.

The CHAIRMAN. Now the Department often must balance the competing priorities of different Congressional Committees that have overlapping jurisdiction at the agency, and I'm wondering what you think the role of the Department can be in trying to bring about consensus between the House and Senate Authorizing and Appropriating Committees on future Federal housing policy.

Mr. GILMARTIN. Coming out of my background, which is heavily House of Representatives oriented and Appropriations Committee oriented, I must say that one of the most pleasant surprises has been the wonderful relationships that people in the Senate and in the authorizing world of all places have welcomed me into. I've enjoyed working with you and Members of the committee and the staff.

I have found I think that there is a great thirst and desire for more cooperation, not only between the House and Senate, but between Authorizing and Appropriating Committees. I think perhaps coming from where I do I can serve as a bridge or a link between those worlds, and I even imagine the day when we can sit down in advance in actual formal meetings among the different sides, House, Senate, Authorizing and Appropriating, and resolve some of these issues, and I would like to try to facilitate that.

The CHAIRMAN. Let me give you a chance to start with one of the distinguished Members of the Appropriations Committee who is sitting right down there and who is a very tough bird, let me tell you. He was also former Chairman of the Budget Committee and he was a very tough bird there, too, or the Ranking Member.

Senator DOMENICI. First, Mr. Chairman, and I'm sure you will note mind. I was not here at the first meeting after your announcement that you were not going to seek re-election. So I choose for just a moment to tell you that it was a big surprise to me.

While we may not agree philosophically on some issues, Mr. Chairman, I cannot fault you. Rather, I have great praise for your dedication and commitment to the causes you feel strongly about, and frankly when it comes to working hard at a job, not only can I not fault you, but I believe you have few peers in this institution.

Personally while we are not friends as social friends, I feel kind of a kinship to you, and I don't know why.

The CHAIRMAN. Well we're old baseball players, that's one thing.

Senator DOMENICI. That's it. And, frankly, in all this bitterness we have gotten along very well. While you gave all those anti-Republican speeches, I did my share of anti-Riegle and Democrat speeches, but I think it was for the most part done in good taste, and for that I spread on the record these few remarks, and in due course when it's appropriate I will do more.

The CHAIRMAN. I thank the Senator very much. I'm very touched by that, and I value and prize the relationship that I have with the Senator both as a friend and as a colleague.

Senator DOMENICI. Thank you very much.

I'm just going to stress one more time what I did when Secretary Cisneros came before us. Even when I was not on this committee,

I had an opportunity to be of help. In fact, I at one time literally brokered the Housing Bill with the administration out of Senator Dole's office and we got a very good bill and it was totally hung up between the two bodies.

But I remain thoroughly convinced that the administration is not only on the right track when they speak of reforming or reinventing Government, but I think they are uniquely situated to do it. You know, it's sort of like Nixon to China. I mean if Republicans were going to suggest reform in some of the housing areas, it wouldn't get very far.

I mean, first of all, many of those who would have to face change would all claim it was bad change. Clearly we must change the public housing component of the Department of Housing. All aspects of it have to be reformed. It's not doing well. It can't get its job done because it's entangled in all kinds of technical disputes. You're trying, your Department now is trying to untangle some of those, but I want to repeat one more time what I said then, and I think you got the drift because you mentioned it already.

I think we need to know where cities are coming from when they tell you something isn't working. I don't think we have to sit around in each of our offices with you being that person in that office that's supposed to do this. I don't think we all have to sit around to find those answers. We try and we know. We go home and they tell us it has been 5 years and this housing project haven't started yet. You know, if you're from Indian country, they say it never starts. You know, it takes 3, 4 or 5 years, and then by the time we're finished we've reformed the housing project three times, and then we've got an argument about this, that and the other.

So I would really urge that you take advantage of the tide that runs in your favor to bring to us in an organized manner the ways we can change some of the entanglements in this law. We were intending to do good things, and we find a problem and we say let's fix it. So we tie somebody in knots, but now we've got the whole thing in knots.

I don't think that's an overstatement, and I don't think it's attributed to this administration. I don't say that at all, and in fact I'm not sure I attribute it to the Bush administration. I just kind of think we've all let this part kind of get along and rock along, and it's reaching the point where we can't have an inner-city policy for helping our minorities and our young people there without having a much, much more refined, streamlined HUD as it pertains to public projects and housing.

I would just hope that you would know many of us on this side really want to know about this. It isn't just a Democratic issue, and we're on your side in trying to fix these things.

So with that, I intend to vote for you.

Mr. GILMARTIN. Thank you, Senator.

Senator DOMENICI. And I compliment you on your years of service. I don't know exactly why you would want this job——

[Laughter.]

——after all the neat jobs you're had, and especially since obviously you can go home and from what I can tell just looking at her, she can support you.

[Laughter.]
I don't need any disclosure of that type.
[Laughter.]
Are you doing well, ma'am?
[Ms. Starkey nods affirmatively.]
You're doing all right, good. I hope you make a lot of money.
[Laughter.]
Thank you very much, Mr. Chairman.
The CHAIRMAN. Senator Domenici, thank you very much.
We'll move ahead, Mr. Gilmartin, as quickly as we can with your nomination.
I want to thank our witnesses today, and the committee stands in recess.
[The committee adjourned at 11:28 a.m., subject to the call of the Chair.]
[Prepared statements, response to written questions, and additional material supplied for the record follow:]

TESTIMONY OF SENATOR BILL BRADLEY IN SUPPORT OF THE NOMINATION OF JOHN DESPRES TO BE ASSISTANT SECRETARY FOR EXPORT ENFORCEMENT AT THE DEPARTMENT OF COMMERCE

OCTOBER 4, 1993

Commitments in New Jersey prevent me from appearing in person to speak in support of the nomination of John Despres to be Assistant Secretary for Export Enforcement at the Commerce Department. But I just wanted to let everyone, and especially John, know how happy I am that the President nominated him for this important position. If his past accomplishments are any indication, I am certain that John will be an outstanding Assistant Secretary.

It is always an honor for a United States Senator to see a former staff member elevated to a position of great responsibility and importance. I can boast of that honor because, since 1985, John has been my chief staff member on international affairs and security issues. John served as an advisor while I was a member of the Senate Intelligence Committee. He played a central role in the evolution of my views on the former Soviet Union and our relations with China. And he was instrumental in shaping my perspective on how the U.S. intelligence community should respond to the new reality of a post Cold War, post Soviet world. John also took a special interest in the promotion of democracy and market capitalism in Eastern Europe.

In all of John's work, he has demonstrated clarity and a great range of analysis that has always enhanced my ability to do my job as a United States Senator. His personal integrity shines through his conduct, and his loyalty can never be questioned.

John's understanding of the issues concerning America's role in the world will be extremely useful to the Secretary of Commerce and the President as they undertake the important task of forging the Administration's Export Enforcement Policy. Above all, John will serve the President well because he is candid and insightful while being a committed team player.

STATEMENT OF SENATOR ALFONSE D'AMATO

Mr. Chairman, I join you in welcoming Jeffrey Garten, John Despres, Lauri Fitz-Pegado, and William Gilmartin to the Banking Committee.

I have a great interest in the work of Dr. Garten as the Under Secretary of Commerce for International Trade and Mrs. Fitz-Pegado as the Assistant Secretary and Director General of the United States and Foreign Commercial Services. Their roles in trade promotion will be vital. I hope they will continue getting small businesses involved in the exporting of goods and services overseas. Exporting creates approximately 7.2 million jobs in this country, and the number will only increase as the number of overseas customers grow. I am optimistic that they, along with the other members of the Trade Promotion Coordinating Committee, will expand the international markets, thus creating more jobs in the United States.

Mr. Despres, your job as the Assistant Secretary of Export Enforcement will be a challenging one. There has been no Senate confirmed Assistant Secretary for Export Enforcement for over two years. During that period of time, the world has dramatically changed. The "good guys" and the "bad guys" are not as easily identified. As new export controls are put in place, your job will be vital in ensuring that dual-use exports are reaching their intended destinations.

For the past six months, my staff and I have the privilege of working with Mr. Gilmartin in the position as the Acting Assistant Secretary for Congressional Affairs at the Department of Housing and Urban Development. I look forward to continuing working with him and his staff on Secretary Cisneros' housing initiatives.

I would like to thank you, Mr. Chairman, for holding this hearing. I hope a mark-up can be scheduled as soon as possible.

STATEMENT OF SENATOR ALFONSE M. D'AMATO ON NOMINATION OF WILLIAM GILMARTIN

I commend the Chairman for holding this nomination hearing this morning to consider the nomination of William Gilmartin to be the Assistant Secretary for Congressional and Intergovernmental Relations at the Department of Housing and Urban Development. I would like to congratulate Mr. Gilmartin on his nomination and welcome him to the Committee. I look forward to hearing his testimony.

The position for which Mr. Gilmartin has been nominated is an important one. He must understand how the myriad of HUD programs operate not only at the Federal level, but the at the State and local level. He must understand the need for economic growth in our cities, towns and rural communities and the problems communities often face in solving problems such as substandard housing, homelessness, crime, and general blight. He must also understand that all levels of government must work together to develop solutions to these problems.

Mr. Gilmartin, your primary role will be as an honest intermediary between the Congress and the Secretary on issues of mutual concern. You will be an advisor to the Secretary on matters of import to the Congress and an advocate of his policies. You have a big task ahead of you to ensure the continued restoration of the Department's credibility both with Congress and the public.

Mr. Gilmartin has previously served at the Department of Housing and Urban Development as Senior Legislative Assistant for the Office of Congressional Affairs and has held various staff positions in the House of Representatives. I expect that Mr. Gilmartin, therefore, has a good understanding of the direction the Department is moving in housing policy and of the relationship that he will need to develop with Congress.

I look forward to working with you, Mr. Gilmartin, and to a mutual goal of decent, safe and affordable housing throughout the Nation.

STATEMENT OF JEFFREY E. GARTEN

Mr. Chairman and Members of the committee: It is an honor to appear here today. I have had the privilege of appearing before this committee as a private citizen twice in the last year, and I appreciate the opportunity to do so now as a Presidential nominee. I'd like to make a brief opening statement, after which I would be happy to respond to your questions.

Let me begin by acknowledging the critical role that you and the members of this committee have played in shaping America's export promotion strategy. I commend you all for mandating a far reaching national export strategy. I have followed the legislation which you have written—the Export Enhancement Act of 1992—from a distance, and, if confirmed by the Senate, I look forward very much to working with you in order to follow-up vigorously on the recommendations of the Trade Promotion Coordinating Committee which Secretary Brown presented to you last week.

I would also like to thank President Clinton for nominating me to be Under Secretary of Commerce for International Trade, and Secretary Brown for supporting me. By any measure, this is a position of major responsibility in an arena which has become vital to our country. If confirmed by the U.S. Senate, I would be overseeing the International Trade Administration (ITA). Included in ITA is the Bureau of International Economic Policy, which covers trade policy and trade promotion on a country and regional basis; the Bureau of Trade Development, with responsibility for trade policy and trade promotion on an industry-by-industry basis; the U.S. Foreign and Commercial Service, which consists of more than a thousand men and women "in the field"—both in the U.S. and around the world—whose job it is to work with American firms to promote American exports and investment; and the Bureau of Import Administration, which administers and enforces the laws relating to unfair trade practices of foreign governments and firms, specifically the anti-dumping and countervailing duties laws.

I am conscious that America's interests in the global trading arena are growing, and that the environment for pursuing our goals is extremely difficult. If the Senate gives me the opportunity to serve in our Government at this time, I, along with my colleagues in the Clinton administration, would face several major challenges.

The Need To Support An Open International Trade System

Never before has our country been so connected to the world economy and needed so much from it, and never has an open world economy been more important to us.

In the last two decades trade as a proportion of the American economic activity (GDP) has just about doubled—from 12.7 percent in 1970 to 25 percent today. In just the last five years, exports of goods and services have soared from $348 billion to over $620 billion while imports have grown from $500 billion to $660 billion. U.S. companies have made enormous investments abroad while foreign firms have migrated to America. Foreign investors have purchased billions of dollars of American stocks and bonds, while the outpouring of American money has transformed foreign capital markets. Technology has been transferred from the United States to other nations, but it has moved into our country from abroad, too. Immigration, tourism, student exchanges—every aspect of the movement of people—has mushroomed.

All this you know. What I want to underline here today is my own view that the United States has an enormous and vital stake in the global economy. I believe we must remain a resolute champion of an international trading system which is increasingly open to American goods and services. At the same time, we must do whatever we can to insure that we keep our own markets open to the products of other countries as long as those products are fairly priced and as long as Americans have access to other nations' markets.

The Strains In The System

I fully appreciate the severe economic and social pressures that are bearing down on us as we attempt to keep markets open. We all know that our economy is not creating enough good jobs. In three earlier recoveries the economy was able to generate over 5 million new jobs. In the current recovery we have seen numbers of less than a third of that. In fact employment has barely increased in the past three years.

Nor is the situation likely to improve soon. Thousands of jobs are still being shed by companies trying to become more competitive in the world economy. The shrinkage in the defense sector is far from over. Technological progress and new production techniques will mean that fewer people will be necessary to perform any given job. The economies of many of our key trading partners, including Japan and Germany, are in deep slump, preventing some of the employment creation we might have expected from increased exports.

It hasn't helped—to say the least—that over the last several years, we have not prepared ourselves well for the brutal global competition that lies ahead. Our education system is in deep crisis. Our workforce needs massive training and retraining. Our savings rate is about the lowest of any major industrial nation. Trends in investment for civilian R&D need to be reversed. The crushing Federal deficit puts great limits on our ability to invest in our future. Our social structure, measured by unconscionable levels of child poverty, rampant crime on our streets, and soaring prices for health care is a human tragedy in itself, but also a great impediment to our competitive position vis-a-vis nations not plagued by such problems.

In addition, we are entering an era when trade policy itself will need to reflect significant changes in the world economy. The philosophy of Adam Smith, and many of the rules now inherent in the General Agreement on Tariffs and Trade, do not provide adequate guides for the future. The architects of the current system of trade did not envision the rise of Japan and other Asian nations with systems of capitalism that differ significantly from our own. They did not foresee a world of multinational corporations and cross-border strategic corporate alliances and how this would weaken the relevance of the old models which say that all trade occurs among sovereign nations trading with one another at "arms length." The classical theories of liberal trade did not envision the massive movement of capital across borders, the way this phenomenon would influence exchange rates, and the impact that changing currency values would have on each nation's competitiveness. They did not anticipate that high technology industries—with their massive capital requirements and their ability to dominate global markets by forming alliances with their governments—would fail to conform to the text book example of one country selling its cheese for another's wine. The more the real world outstrips the rules, or makes them ineffective, the more pressure individual countries will be under to take ad hoc actions which may be seen to be in their own interest, but which harm others. This, of course, puts further strain on the world trading system.

America Has Great Opportunities

All this said, I believe that there are great opportunities for America in the years ahead. In fact, I think that we could be on the cusp of a new era—one in which traditional American entrepreneurship will make enormous strides in the world economy.

For starters, the world economy is opening up at a ferocious rate. Billions of people from the Third World and from the former Communist World are now entering the mainstream of the world economy. The ideology of open markets is catching on almost everywhere. The pent-up demand from consumers in areas as diverse as Indonesia and Poland is enormous. The drive to acquire new products, new production techniques, and new technologies is intense. This new environment provides limitless opportunities for firms that are energetic, innovative, flexible and far sighted—as so many of ours are. To the extent that these companies succeed, so should American workers, whose welfare must, in the end, be the most important objective of our Nation's policies.

At the same time, we now have an administration that soberly recognizes the problems and pressures we face, and is clearly dedicated to addressing them.

Whether it is the Federal deficit, or worker training, or technology policy, or a more aggressive trade stance, I believe that President Clinton has set policies in motion that should stand us in good stead for the future.

We have, as well, a highly competitive exchange rate, which makes the prices of American products more competitive in the global market than they have been for many years. In addition, our business sector is making strides in retooling itself for the future. More and more American firms are shedding debt accumulated in the 1980's and honing their production processes. Corporate bureaucracy is being reduced, management is being decentralized, workers are being empowered. Tomorrow's global workplace could well be created in America over these next few years.

Moreover, our economy may be slow on the uptake, but many of our key trading partners are in worse shape, and they may have much less political and social flexibility than we do to revamp their systems.

Personal Qualifications

If confirmed by the Senate, it is with great humility that I would accept the challenges before me. I would like to think, however, that my background will have prepared me as best as possible. I have served this country for three years as an officer in the U.S. Army. I have a solid academic grounding in economics and international affairs. I have worked in three previous administrations. I have over a decade of experience in international business, and have held an important teaching position at the Columbia Business school. In addition I have written extensively on topics of great importance to international trade, including a recent book—A Cold Peace—which focuses in considerable detail on America's future in the global arena. My professional activities have given me hands-on involvement in world financial markets, as well as business dealings in Japan, the rest of East Asia, Western Europe and Latin America.

Personal Views

If confirmed I would become a member of President Clinton's trade team, and as such, I would support to the best of my ability the administration's trade policy. As a member of that team, I yould also contribute experiences and policy preferences, some of which are as follows:

I have a strong belief in the goal of an open, market-oriented trading system, and I would argue for America's continuing to push itself and others toward that goal. I support passage of the NAFTA, and the conclusion of the Uruguay Round on terms fair to all parties. I believe the recently concluded "framework agreement" between the U.S. and Japan is an excellent beginning for negotiations between the two nations. I am a strong proponent of all the principal sectors of the American economy, and would do my utmost to see that not only manufacturing but services and agriculture all receive the very top priority in trade policy and trade promotion. I am aware, of course, of this committee's special interest in financial services, and can assure you that I would work closely with you in pursuing America's interest in this and in other areas by trying to foster a level playing field for our firms, our manufacturing and service workers, and our farmers. I would like to see the push for trade liberalization extended to the rest of East Asia and to the rest of Latin America where emerging markets hold great promise for U.S. business. I support the relentless pursuit of market access, but I am also aware that international business has other crucial issues worthy of Washington's support, such as the growth of strategic alliances among companies around the world, and the encouragement of more technological cooperation in areas ranging from outer space to the environment.

I think that Government can do much more to ensure that American firms get a bigger share of the global market, and I think it should. Officials at the Federal and State level can work harder to promote U.S. exports by better coordinating their efforts, reexamining policies that actually impede the overseas sales of U.S. firms, finding new ways to help corporate America market its products abroad. At the same time, many American firms have a long way to go to truly reorient their sights and their strategies toward the global markets. A major push by both the public and private sectors could make a massive difference in the job picture at home. In fact, over the past few years exports have been the most impressive job creation program we have had. They have resulted not only in more jobs, but in jobs which pay better and which demand higher skills. We could do much more to promote U.S. commercial interests abroad if we redoubled our export promotion efforts.

Having said this, I am also concerned with the growing trade deficits, particularly when it comes to merchandise goods. We have had five consecutive monthly trade deficits of $10 billion or more. The deficit for the first six months of 1993 was nearly 60 percent deeper than for the same period of 1992. The U.S. deficit with Japan was 20 percent higher, the deficit with China 31 percent higher. At the same time,

the one bright spot—the surplus with the European Community—was 70 percent *lower* than during the first half of 1992. Indeed it is possible that we may be headed toward a merchandise trade deficit this year in excess of $100 billion—the biggest since 1985. This will be substantially offset by a surplus on our service account, but the underlying trend is still worrisome.

In some sectors, such as consumer electronics, we are totally dependent on foreign companies. In some, such as textiles, widescale cheating often puts domestic producers under unfair pressure. We can anticipate major import surges from China in the years ahead, portending a very difficult set of challenges for trade policy. As I stated before this committee last spring, Japan may have its problems at the moment, but there is no question in my mind that a nation which has invested so much in its businesses, and in education, training, and practical technology will reemerge as an exporting powerhouse—just as it did after oil prices quadrupled in the 1970's and after the yen doubled in value against the dollar in the 1980's. The nations of the Asian-Pacific region, excluding Japan and China, are going to be fiercer competitors, too, not only in low-priced goods but in products embodying increasingly sophisticated technology. Looking toward Europe, it has become fashionable to read Germany out. But today's problems of financing reconstruction in the former East Germany will not last forever. Bonn cannot afford to fail and it will not. One day, long before the 20th century ends, we will see the re-emergence of a nation with one third of its territory having the latest technological infrastructure. In short, we should have no illusions about the challenges we will face.

While I believe in an active Government role in trade policy, I also believe that the Government must be careful to focus its efforts on what it can do well, and not have an exaggerated view of what it can accomplish. For example, Government can set the proper economic environment for growth and low inflation in which trade takes place; it can vigorously enforce our trade laws; it can negotiate trade rules; it can help to promote exports; it can help level the playing field when other governments intervene on behalf of their firms. Sometimes, of course, the proper role of Government lies not in operating alone, but in creating partnerships with business and labor in such areas as educating and training the workforce on which our trade competitiveness depends, or building the Nation's infrastructure which is also vital to our trade performance. But sometimes Government has no role. For example, it cannot be responsible for the quality of the products we sell in the world market. It cannot manage companies. It cannot anticipate where markets are going. It cannot pick winners and losers.

As important as trade policy is, moreover, I think we should be careful not to have unrealistic expectations as to what it alone can do. I have already mentioned some of the broader economic and social pressures we will be under these next several years, and it is only reasonable to conclude that America's economic policy will require action on a broad front: from deficit reduction to judicious new investments; from education reform to new policies to train existing workers; from sound management of the dollar to better coordination of growth policies with our trading partners.

Priorities At The Department Of Commerce

As a member of the administrations's trade team I would be representing Secretary Brown and the Department of Commerce in all my official activities. In this regard, I would strive to meet the following objectives:

I will vigorously enforce laws concerning unfair trade practices. This is my top priority. I believe that these laws serve to protect American firms from predatory practices abroad. I also believe that they are an essential ingredient in the overall policy mix which allows the United States to continue pursuing an open trading system.

I will work to expand export promotion in all its aspects improving trade finance, removing unnecessary export impediments, enhancing Government marketing efforts, coordinating policies with other Government agencies. As I mentioned at the outset, I recognize the pivotal role this committee has played in the export promotion arena, and, if confirmed, I would dedicate myself to furthering the goals you have set out in legislation and to working closely with you to that end. While my daily focus would be on manufacturing industries and service industries, I would also be a strong advocate of American farmers in interagency trade policy councils. I would see it as my job, as well, to actively work with foreign governments to help U.S. firms win new orders for the sale of their products and services.

I would plan to be an advocate for intense pursuit of America's commercial interest in all the administration's foreign policy deliberations. In interagency forums, I would see it as my responsibility to vigorously identify the commercial stakes that America's manufacturing and service workers and its farmers have in various coun-

tries and regions of the world, and the potential benefits and liabilities of certain courses of action. In this post-Cold War era, economics, and trade must count for more in the calculus of our interests than they did before. I would strive to insure that they do.

I will endeavor to make a major contribution to trade policy generally—including the NAFTA, the Uruguay Round, and bilateral negotiations with Japan, China and others. I will involve myself in helping to promote trade and investment in the former Soviet Union. I will also focus the International Trade Administration on thinking about America's trade policy after ongoing multilateral negotiations end, and on such issues as the future of the GATT, the post-NAFTA agenda for the hemisphere, the rules for international investment and technological cooperation, the framework for dealing with trade and the environment, and the nexus of trade, labor standards, and workers rights.

Of particular interest to me, moreover, will be to help American firms to penetrate the big emerging markets, such as China, Taiwan, Indonesia, India, Mexico, Brazil, and Argentina, where commercial opportunities are rapidly growing, and where the focused attention of the U.S. Government can pay large dividends. As important as Europe and Japan are to American interests, it is my belief that dramatic growth in the industrial democracies is not on the horizon, and that the big emerging markets will provide exceptional prospects for U.S. sales. I further believe that the importance of these developing nations is today vastly under-weighted in American trade policy. I would like to help change that.

I will devote considerable effort to harness the substantial experience and expertise to upgrade the level of Government knowledge about particular industries. Today, several sectors of our economy are reeling from changing trade patterns, and others are thriving because of them. The Government needs a solid information base in order to know how to work best with our firms. Today this base is inadequate, particularly with respect to "industries of the future"—those where fast-moving technology of all kinds is paramount. I would like to help improve that base.

I will work with the rest of the Commerce team and the entire administration to build broader relationships with the Congress and American businesses. I want to consult extensively with the Congress and American businesses around the country, to exchange views on problems and opportunities in the changing world economy, to find ways to support their strategies and to make sure that a variety of views are represented when Government policy is being made. This is an area I feel particularly strong about, since it is the Congress which has jurisdiction over U.S. trade policy and the private sector which, after all, does the trading, investing, and employing that the Government is trying so hard to promote.

Thank you very much, and I look forward to answering your questions.

STATEMENT OF LAURI J. FITZ-PEGADO

Chairman Riegle, Senator D'Amato, and Members of the committee, thank you for convening this hearing. It is an honor to appear before you today and to have been nominated by President Clinton to be Assistant Secretary and Director General of the U.S. and Foreign Commercial Service (US&FCS) at the Department of Commerce.

If confirmed, I would be responsible for the management and oversight of a global network of 69 domestic offices, 131 overseas offices in 70 countries and the US&FCS' Washington headquarters. I have long viewed the US&FCS as an important dimension of the United States' export promotion network, contributing to U.S. competitiveness and creating more high-paying jobs at home.

I have been in training for this position all my life. As I reflect on my experiences—learning Spanish in the public school system, an exchange student in Spain, a graduate student of international relations at Johns Hopkins, a foreign service officer in Latin America and the Caribbean and a public affairs strategist, I have accumulated skills uniquely appropriate for fulfilling the responsibilities of this position. I am challenged by the prospect of leading the US&FCS at this critical time when the Clinton administration is identifying vehicles to promote economic growth and new employment opportunities for our citizens. Export promotion, a primary responsibility of the US&FCS, is indeed a vehicle to reach these goals.

Last week, this committee received the first report of the Trade Promotion Coordinating Committee (TPCC), "Toward a National Export Strategy." I am aware of the instrumental role Members of this committee have played toward encouraging the development of a comprehensive plan to improve the export promotion programs of the Federal Government—services, manufactured and agricultural products. I also am familiar with the report's recommendations and welcome the prospect of partici-

pating with you in further development of the strategy and its implementation. If confirmed, I would consider this one of my highest priorities.

As this committee is acutely aware, exports have contributed 60 percent of the growth of the U.S. Gross Domestic Product (GDP) during the period 1988–1992. The impact on job creation has been great; every time we sell $1 billion of American products and services, we create 20,000 high value and high paying jobs.

Clearly, many of the recommendations in the report, ranging from the establishment of "one-stop-shops" in the domestic field for marketing and finance counseling to improved coordination of country teams at U.S. missions abroad, have a direct impact on the US&FCS. I will focus on trade finance as a priority for improving export opportunities, particularly for small- and medium-sized companies. Enhancing market opportunities for U.S. exporters should include expansion into emerging markets as well as traditional priority markets.

Coordination of trade promotion activities are essential on the inter-agency as well as the intra-agency level. To that end, I look forward to working with my colleagues in the International Trade Administration to develop and implement strategic policy and promotion programs.

My own vision for the US&FCS is the integration of domestic and overseas information systems, career opportunities, strategies and services. The 1988 Omnibus Trade and Competitiveness Act suggested the merits of greater integration. A recent report by Commerce's Inspector General also indicates the importance of further integrating US&FCS domestic and overseas staff. Additionally, my personal commitment is to ensure that the US&FCS is more representative of the diversity of the American population. By pursuing these objectives, the US&FCS will reach its fullest potential.

If confirmed, I would be honored to be part of this country's effort to promote the competitiveness of U.S. products abroad and to create employment opportunities for Americans through opening markets and enhancing U.S. trade opportunities.

Thank you.

TESTIMONY OF WILLIAM J. GILMARTIN

Mr. Chairman, Senator D'Amato, Members of the committee. Thank you very much for inviting me here this morning to discuss my qualifications for the position of Assistant Secretary for Congressional and Intergovernmental Relations at the Department of Housing and Urban Development.

I am humbled by the trust and honor bestowed on me by the President Clinton's nomination and the opportunity to work side by side with Secretary Henry Cisneros and the outstanding team that he has assembled at HUD.

Having been at the Department as a Schedule C appointee since March and having assisted in the confirmation process for eleven Assistant Secretary-rank officials, I have been awestruck by the committee's dignified and purposeful acquittal of its duties under the constitutional confirmation process. I thank you and the Department thanks you for the timely and fair hearings that you have given to the President's nominees for positions at HUD.

The position of Assistant Secretary for Congressional and Intergovernmental Relations at HUD is a position I feel that I have been in training for my entire life. My interest in politics stems from days spent stuffing flyers under windshield wipers for Senator John F. Kennedy's re-election in 1958. I was active in school elections and a number of local campaigns during high school and college. I majored in political science at Holy Cross.

While this interest in politics and public service seems to have come very naturally to me, I'd here like to pay special tribute to two of many fine teachers: John Moran, History and Government teacher at Chicopee Comprehensive High School in Massachusetts and John Anderson, History professor at Holy Cross. They had that special quality that excited and challenged my innate interest in Government and Politics and my desire to enter public service.

My first big break in this business came as an enlisted man in the U.S. Army. I was assigned to the Army's Congressional Liaison Office in the House of Representatives. I've always believed that the two and one-half years I spent there were at least the equivalent of a graduate degree. I gained first hand exposure to the way things really work here. Most importantly, it provided me with a deep understanding and appreciation of the basis on which the Congress operates, namely constituent service timely and trustworthy communication between the Executive and Legislative branches.

If I didn't fully appreciate those facts when I left the Army's Liaison Office, they were certainly reinforced when I landed a job in then freshman Congressman Bob

Traxler's office. I considered him then and still do one of the all-time champion constituent service members of Congress. While mere words can never express all of the respect and affection I feel for Bob, I will be forever grateful for, and proud of, my association with him. He was truly the people's representative.

During my first tenure at HUD—under the Carter administration—I was able to broaden my knowledge of the workings of the House and Senate while becoming more focused on the programs of one Federal agency. The following five years at Planned Parenthood's newly formed Washington office offered yet a broader exposure to a new set of congressional committees—House and Senate—as well as the unique perspective one acquires working with the Congress. As a representative of a major national non-profit health services provider organization.

Returning to Congressman Traxler's office in 1986, just before he was to become Chairman of the VA-HUD Appropriations Subcommittee in the House, was a fitting place for the kind of diverse, yet focused on the Congress experience I had acquired. Indeed, the VA-HUD Appropriations Subcommittee has the most diverse jurisdiction of all thirteen subcommittees. In addition to the Department of Veterans Affairs and HUD, that subcommittee has jurisdiction over EPAa, FEMA, NASA, NSF, and a host of smaller agencies, boards and commissions. I assisted Mr. Traxler in communicating with these agencies and with the many, many interest groups, public officials, Members of Congress and staff who each year presented their cases for a portion of the subcommittee's allocation.

In a real sense, I believe the experience of the last seven years, an era of ever tighter budgets prepared me for the position for which I have been nominated. These experiences ingrained in me an understanding that the Federal Government must be reinvented. We simply no longer have the resources to continue business as usual. Heretofore sacrosanct programs need to be altered to improve program delivery while also producing savings.

Communicating that fact was a large part of my job for the last seven years and it will continue to be part of my job, if this committee and the Senate see fit to confirm my nomination.

I take most seriously the charge the American people gave us last November, to produce real change in the way Government operates. Given voter attitudes we have no choice but to devote every ounce of effort to restoring trust in Government. That is why it is so exciting to be a part of Secretary Cisneros' team at HUD. His leadership is already producing real, substantive changes in the way HUD employees view their jobs, the way they relate to State and local officials and private citizens. The reinventing HUD process involved virtually every employee of the Department throughout the country. (Everyone was given the opportunity to participate in special reinventing HUD meetings.) The goal is to a clarify HUD's mission and values.

During this process, the priorities which have surfaced include: helping more homeless persons and families, reducing the number of severely distressed public housing units, making FHA a significant player once again in the development of affordable housing, reducing the barriers to residential mobility, empowering communities to create jobs and improve the quality of urban life, and eliminating management deficiencies. Indeed we can and must build upon what we know works, so that we can improve our performance, consistent with the fiscal constraints that will be with us for years to come.

These have been exciting months at HUD and we thank you, Mr. Chairman and Members of the committee, for moving the Department's first legislative proposals. This year you asked the Secretary to identify statutory impediments to efficient program delivery and he has proposed changes that will help us serve our cities, residents of public housing and our homeless. This committee has worked very hard on these proposals and the Secretary and the Department thank you for your cooperation in this, a year that comes before the usual reauthorization year.

In closing, Mr. Chairman, I would like to capsulize the role I see for the Assistant Secretary for Congressional and Intergovernmental Affairs. It is to facilitate communication between HUD and the Congress and between HUD and our Nation's cities and States and their representative organizations as well as other housing oriented interest groups. It is to represent HUD and the administration in the halls of Congress and it is to represent Congress within HUD, by conveying the views and needs of Members of Congress to the Secretary and HUD management officials.

If confirmed to this office I will oversee and facilitate the efficient delivery of information and services to the Congress to better serve the housing and urban initiatives of the administration. I hope for ours to be an ongoing, free flowing dive and take of views and I especially hope you'll let me know when and how we can be doing better.

I appreciate very much your consideration of my nomination and I will be happy to take any questions you may have.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name GARTEN (Last) JEFFREY (First) E. (Other)

Position to which nominated: Undersecretary for International Trade of Commerce

Date of nomination: _____

Date of birth: 29 (Day) 10 (Month) 46 (Year)

Place of birth New York, NY

Marital status: M

Full name of spouse: INA R. GARTEN

Name and ages of children: NONE

Education.	Institution	Dates attended	Degrees received	Dates of degrees
	Phillips Academy, Andover	1962- 64	HS	1964
	Darmouth College	1964-68	BA	1968
	Johns Hopkins University	1972-80	MA	1973
			PhD	1980

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement

NONE

Memberships. List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations

Organization	Office held (if any)	Dates
Council on Foreign Relations		1976 - Present
International Rescue Committee	Director	1993
East Hampton Tennis Club		1988 - Present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

SEE ATTACHED

Government Experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

See Employment History. Also, I was a member of Governor Cuomo's Commission on Trade and Competitiveness, 1992

Published Writings: List the titles, publishes and dates of books, articles, reports or other published materials you have written.

SEE ATTACHED

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

$1000 contribution to Clinton/Gore campaign, 1992

$1000 contribution to Fisher for Senate in Texas, 1993

Political Contributions

Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

$1000 contribution to Clinton/Gore 1992

$1000 contribution to Fisher for Senate in Texas, 1993

Qualifications

State fully your qualifications to serve in the position to which you have been named.
(attached sheet) SEE ATTACHED

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

   I WILL

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm,, association or organization.

   I HAVE NO SUCH PLANS.

3. Has anybody made you a commitment to a job after you leave government.

   NO

4. Do you expect to serve the full term for which you have been appointed?

   YES

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensations agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

NONE

2. List any investments, obligations, liabilities, or other relationship which might involve potential conflicts of interest with the position to which you have been nominated.

NONE

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

NONE

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

NONE

5. Explain how you will resolve any potential conflict of interest that my be disclosed by your responses to the above items:

I will immediately consult with Counsel at the Commerce Department if any conflicts arises. But I know of no such potential case. If appropriate, I will divest myself of conflicting interests, recuse myself or obtain a waiver of conflict of interest restrictions under 18 U.S.C. Section 208b, if the interest is not substantial.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

NONE

2. Give the full details of any proceedings, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

NONE

EMPLOYMENT RECORD

Employment: 1968-1972: U.S. Army, Captain
1973-1978: U.S. Government

(1) Staff Member, Council on International Economic Policy, White House; ('73-'74)

(2) Staff Member, State Department Policy Planning Staff; ('74-'76)

(3) Staff member, Economic Policy Group, White House; ('76)

(4) Deputy Director, State Department, Policy Planning Staff; ('77-'78)

1979-1987: Investment Banker, Lehman Brothers, and Shearson Lehman Brothers, 200 Vesey Street, New York, N.Y., Vice President, Senior Vice President, Managing Director

1988-1990: Investment Banker, Eliot Group, Inc., 30 Rockefeller Plaza, New York, N.Y.; President

1990-1992: Investment Banker, Blackstone Group; 345 Park Avenue, New York, N.Y.; Managing Director

1992-1993: Professor, Columbia Business School, Columbia University, New York, NY; Senior Advisor Blackstone Group

QUALIFICATIONS FOR POSITION:

I believe I am qualified to hold the position of Undersecretary of Commerce for International Trade for the following reasons:

1. I have a solid academic grounding in international economics and international affairs.

2. I have substantial experience in the public sector in these areas, including service in three previous administrations.

3. I have substantial experience in international business and finance, including over 12 years in senior Wall Street posts.

4. I have first hand experience in those areas of the world in which trade with the United States is particularly important: Japan and East Asia, Western Europe and Latin America.

PUBLISHED ARTICLES

July 20, 1993

Attached please find a listing of articles I have published. This record is compiled from data bases, because I have not kept my own record over the years and is as complete as I can make it However, in addition to the record included here, there are some articles which were not picked up. They are:

"The Japan Crisis in The Oval Office," The International Economy," April/May 1990

"White House Renovation, "The International Economy, July/August 1992

"Memorandum to President Bill Clinton," The International Economy, March/April 1993

"Clinton's Emerging Trade Policy," Foreign Affairs, Summer 1993

"What's An Economist To Do?", Washington Post, May 30, 199

"Wall Street Weak," New York Times, June 13, 1993

I have also written one book entitled A Cold Peace: America, Japan, Germany, and the Struggle for Supremacy (Times Books, 1992)

Foreign Affairs, 1992, Winter, Pg. 16, 5877 words, THE 100-DAY ECONOMIC AGENDA; Must Deliver Tough Message Quickly, Jeffrey E. Garten.

HEADLINE REMARKS OF JEFFREY GARTEN, PROFESSOR OF FINANCE AND ECONOMICS
COLUMBIA UNIVERSITY BUSINESS SCHOOL
TO THE ECONOMIC CONFERENCE
LITTLE ROCK, ARKANSAS
MONDAY, DECEMBER 14, 1992
LENGTH ESTIMATED INFORMATION UNITS: 24.5 Words: 4210
DATE 12/14/92
SOURCE FEDERAL NEWS SERVICE (FNST) Washington Package (WSHN)
(Copyright 1993)

The New York Times, November 15, 1992, Sunday, Late Edition - Final, Section 3; Page 13; Column 1; Financial Desk, 636 words, Viewpoints; Even Before the Inauguration ..., By JEFFREY E. GARTEN; Jeffrey E. Garten is the author of "A Cold Peace: America, Japan, Germany and the Struggle for Supremacy." This article is adapted from the upcoming issue of Foreign Affa Magazine.

The New York Times, July 26, 1992, Sunday, Late Edition - Final, Section Page 13; Column 2; Financial Desk, 561 words, FORUM; Adapting the Security Council to Peace, By JEFFREY E. GARTEN; Jeffrey E. Garten is a managing director of the Blackstone Group in New York. He is the author of "A Cold Peace: America, Japan, Germany and the Struggle for Supremacy."

HEADLINE AS THEIR LEADERS MEET, BOTH U.S. AND JAPAN SHOULD BE CYNICAL
* Byline: By JEFFREY GARTEN - Los Angeles Times
DATE 07/02/92
SOURCE BUFFALO NEWS (BFNW)
Edition: CITY
Section: VIEWPOINTS
Page: B3
(Copyright 1992)

The New York Times, July 6, 1992, Monday, Late Edition - Final, Section Page 13; Column 2; Editorial Desk, 564 words, Eerie Echoes in Munich, By Jeffrey E. Garten;

HEADLINE ABSENCE OF LEADERSHIP COMMON TO U.S., JAPAN
* Byline: Jeffrey E. Garten Los Angeles Times
* Notes: Jeffrey E. Garten is the author of "A Cold Peace: America, Japan, Germany and the Struggle for Supremacy."
DATE 06/30/92
SOURCE THE SACRAMENTO BEE (SBEE)
Edition: METRO FINAL
Section: EDITORIALS
Page: B7
(Copyright 1992)

Los Angeles Times, June 26, 1992, Friday, Home Edition, Metro; Part B; 7; Column 2; Op-Ed Desk, 817 words, PACIFIC PERSPECTIVE; THE AGENDA IS POLITICAL SURVIVAL; IT'S A SAD COMMENTARY THAT PRESIDENT BUSH AND PRIME MINISTER MIYAZAWA HAVE SET THEIR SIGHTS SO LOW., By JEFFREY E. GARTEN,

The Washington Post, June 21, 1992, Sunday, Final Edition, BOOK WORLD; P; X6, 1139 words, Forgive Us Our Debts, Jeffrey E. Garten, REVIEW

Copyright 1992 The New York Times Company: Abstracts , BY JEFFREY E GARTI U.S. NEEDS NEW APPROACH TO KEEP UP, ASIAN WALL STREET JOURNAL, Section 1, 14, Column 1, JOURNAL-CODE AWS, April 20, 1992, Monday

The New York Times, March 22, 1992, Sunday, Late Edition - Final, Sectior 7; Page 8; Column 1; Book Review Desk, 1406 words, 'The Bank of Crooks ar Criminals International', By Jeffrey E. Garten;

The New York Times, November 3, 1991, Sunday, Late Edition - Final, Sect: 7; Page 23; Column 1; Book Review Desk, 804 words, BOOKS & BUSINESS; Pol: the Big Casino, By Jeffrey E. Garten;

Foreign Affairs, 1991, Summer, BOOK REVIEW ESSAY; Pg. 155, 3049 words, RETHINKING FOREIGN ECONOMIC POLICY, Jeffrey E. Garten
HEADLINE More Squabbling for the Big Three
*
By Jeffrey E. Garten
DATE 04/02/91
SOURCE WALL STREET JOURNAL EUROPE (WSJE), PAGE 10

Copyright 1991 The New York Times Company: Abstracts , BY JEFFREY E GARTI ALLIES WHO FAIL US, WALL STREET JOURNAL, Section A; Page 10, Column 4, JOURNAL-CODE WSJ, March 29, 1991, Friday

The New York Times, February 24, 1991, Sunday, Late Edition - Final, Section 3; Page 13; Column 2; Financial Desk, 712 words, FORUM; An Allia: Turning Into a Free-for-All

Los Angeles Times, February 4, 1991, Monday, Home Edition, Metro; Part B Page 5; Column 3; Op-Ed Desk, 807 words, PERSPECTIVE ON THE GULF WAR; WH SHARING THAT BURDEN NOW?; GERMANY AND JAPAN WERE TO BE CO-ARCHITECTS OF 'NEW WORLD ORDER.' BUT THE WAR HAS LEFT THEM SHRINKING TO THE REAR., By E. GARTEN; Opinion

Copyright (c) 1990 The New York Times Company: The New York Times, Oc 7, 1990, Sunday, Late Edition - Final, Section 7; Page 9, Column 1; Book Desk, 1328 words, Selling Ourselves to Tokyo, By JEFFREY E. GARTEN; LEAD AGENTS OF INFLUENCE By Pat Choate. 295 pp. New York: Alfred A. Knopf. $2

The Washington Post, August 12, 1990, Sunday, Final Edition, BOOK WOR PAGE X6, 1647 words, Why the U.S. Is Losing the Numbers Game, Jeffrey E. Garten, REVIEW

Los Angeles Times, May 13, 1990, Sunday, Home Edition, Book Review; P 10; Book Review Desk, 31 words, CRITICS' CHOICE: THE HOUSE OF NOMURA: T

NSIDE STORY OF THE LEGENDARY JAPANESE FINANCIAL DYNASTY BY ALBERT J. LLETZHAUSER (ARCADE: $22.95; 304 PP.:, By Jeffrey E. Garten, Column; Book eview

EADLINE The House of Nomura Nomura Securities rose from the ashes of World War 11 to become the world's most profitable financial empire -- not the first time this giant has made a fortune rebuilding Japan
* Byline: By Jeffrey E. Garten Special To The Star
ATE 05/06/90
OURCE Toronto Star (TOR)
Edition: SUNDAY
Section: BUSINESS TODAY
Page: F3
(Copyright The Toronto Star)

Los Angeles Times, April 22, 1990, Sunday, Home Edition, Book Review; Page ; Book Review Desk, 1393 words, DYNASTY, JAPANESE-STYLE; THE HOUSE OF NOMURA: HE INSIDE STORY OF THE LEGENDARY JAPANESE FINANCIAL DYNASTY BY ALBERT J. LLETZHAUSER (ARCADE: $22.95; 304 PP.; 1-55970-089-0), By Jeffrey E. Garten, arten, a managing director of The Stamford Company, an investment banking firm

n New York, was in charge of Shearson Lehman Hutton in Tokyo, 1984-1986.;

Copyright (c) 1990 The New York Times Company; The New York Times, March 18, 990, Sunday, Late Edition - Final, Section 7; Page 9, Column 1; Book Review esk, 1491 words, THEIR STREET WAS PAVED WITH GOLD, By JEFFREY E. GARTEN; effrey E. Garten, a managing director of the Stamford Company, an investment anking firm, worked in the Nixon, Ford and Carter Administrations., LEAD: THE OUSE OF MORGAN An American Banking Dynasty and the Rise of Modern Finance. By on Chernow. Illustrated. 812 pp. New York: A Morgan Entrekin Book/ Atlantic onthly Press. $29.95.

Los Angeles Times, February 20, 1990, Tuesday, Home Edition, Metro; Part ; Page 7; Column 3; Op-Ed Desk, 938 words, MONEY IS IN A MOOD TO HEDGE ITS ETS; MARKETS: IF THE WORLD SEEMS TO BE MAKING PROGRESS ON MANY FRONTS, NVESTORS ARE GOVERNED BY AN UNDERTONE OF NERVOUSNESS., By JEFFREY E. GARTEN, effrey E. Garten is a managing director of the Stamford Co., an investment anking firm in New York.;

Copyright (c) 1990 The New York Times Company; The New York Times, February 1, 1990, Sunday, Late Edition - Final, Section 3; Page 13, Column 2; Financial esk, 745 words, FORUM: How to Rescue the Peace Dividend, By ROGER C. ALTMAN nd JEFFREY E. GARTEN; Roger C. Altman, vice chairman of the Blackstone Group, erved in the Treasury Department in the Carter Administration. Jeffrey E. arten, managing director of the Stamford Company, served in the State epartment in the Ford and Carter Administrations., LEAD: President Bush, in is first budget submitted to Congress, may think he has set the ground rules or the peace dividend. But he is already losing control of the process.

EADLINE HOW WILL THE DOLLAR FARE IF BONN COMES TO RIVAL TOKYO?
* Byline: By Jeffrey E. Garten
ATE 12/10/89
OURCE The Record, Northern New Jersey (REC)

Edition: All Editions.=.Sunday
Section: OPINION
Page: o01
Category: OP-ED
(Copyright 1989)

HEADLINE Different kind of Cold War ahead in the '90s?
* Byline: JEFFREY E. GARTEN
Column: Outlook
Corrections: Garten is a managing director of the Stamford Co. Inc., an investment banking firm in New York. He worked in the Nixon, Ford and Carter administrations.
DATE 12/05/89
SOURCE HOUSTON CHRONICLE (HOU)
Edition: 2 STAR
Section: B
Page: 11
Category: EDITORIAL OPINION
(Copyright 1989)

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, December 4, 1989, Monday, Home Edition, Metro; Part B; Page 7; Column 1; Op-Ed Desk, 907 words, WILL THE GREENBACK COME TUMBLING DOWN?; MONEY: WESTERN EUROPE IS ON THE VERGE OF ADOPTING A COMMON CURRENCY, WITH BONN IN CHARGE, AND THE UNITED STATES

RISKS BEING CAUGHT FLAT-FOOTED., By JEFFREY E. GARTEN, Jeffrey E. Garten is a managing director of The Stamford Company, Inc., an investment banking firm in New York. He worked in the Nixon, Ford and Carter Administrations., LEAD: While communism in Central Europe crumbles along with the Berlin Wall, something less amenable to TV images but potentially far more consequential for the United States is about to unfold -- the creation of a monetary union in Western Europe with West Germany at its helm. Once that occurs, Bonn's ability to pull financial levers from Lisbon to Rome will give it glob-l clout rivaling Tokyo's.

Copyright (c) 1989 The New York Times Company; The New York Times, December 3, 1989, Sunday, Late Edition - Final, Section 6; Part 2, Page 60, Column 1; Business World Magazine, 2670 words, CONJURING UP THE 1990's, By Jeffrey E. Garten; As a State Department official in the 1970's, Jeffrey E. Garten could never have predicted that he would spend the 80's as an investment banker., LEAD: SOOTHSAYING HAS A long and checkered history, and the year-end predictions of economic soothsayers generally fare no better than the rest. How much more chancy is the task of the end-of-decade forecaster! Yet there is one clue to the proper approach, provided by the astoundi , record of the last 10 years: think boldly.

Foreign Affairs, 1989 / 1990 America and the World, Pg. 84, 6780 words, JAPAN AND GERMANY: AMERICAN CONCERNS, Jeffrey E. Garten; Jeffrey E. Garten is a managing director of The Stamford Company, Inc., an investment banking firm. He was on the staff of the White House Council on International Economic Policy in the Nixon Administration and a member of the State Department's Policy Plannin

Staff under Presidents Ford and Carter.

Copyright (c) 1989 The New York Times Company; The New York Times, Nov 5, 1989, Sunday, Late Edition - Final, Section 3; Page 3, Column 1; Fina Desk, 1032 words, BUSINESS FORUM: HOW TO BALANCE TRADE; Lord Keynes Had Right the First Time, By JEFFERY E. GARTEN; Jeffrey E. Garten is a manac director of The Stamford Company Inc., an investment banking firm in Ne LEAD: Few would deny that America's spending and borrowing must be broug under control if our gigantic international trade and financial imbalanc to be corrected. But in a seamless, global economy this is only half of picture. What about the responsibilities of Japan and Germany, both of have staggering surpluses?

Copyright (c) 1989 The New York Times Company; The New York Times, Oc 29, 1989, Sunday, Late Edition - Final, Section 7; Page 42, Column 2; Bc Review Desk, 1090 words, BOOKS & BUSINESS; DAMAGE CONTROL DIDN'T WORK, E JEFFERY E. GARTEN; Jeffrey E. Garten is a managing director of the Stam Company, a New York investment bank., LEAD: THE FALL OF THE HOUSE OF HUT Donna Sammons Carpenter and John Feloni. 322 pp. New York: Henry Holt & Company. $19.95. SUDDEN DEATH The Rise and Fall of E. F. Hutton. By Ma Stevens. 298 pp. New York: NAL Books/New American Library. $19.95.

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, Octobe 1989, Sunday, Home Edition, Book Review; Page 1; Book Review Desk, 1274 SPENDTHRIFT JAPAN?; THE SUN ALSO SETS: THE LIMITS TO JAPAN'S ECONOMIC PC BILL EMMOTT; (TIMES BOOKS: $18.95; 250 PP.), By Jeffrey E. Garten, Garte managing director of The Stamford Company Inc. From 1984 to 1986, he ove the Far Eastern operations of Shearson Lehman Hutton from Tokyo., LEAD: since Toyotas and Nissans invaded the American market many years ago, bc articles about Japan have been written in successive waves. The first ac such Japanese business practices as teamwork, government-industry cooper and long-term planning. Then came concern about America losing its compe edge and prescriptions about how American policies must change., Book Re

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, June 1989, Sunday, Home Edition, Book Review; Page 1; Book Review Desk, 977 UP AND AWAY INTO THE TWENTY-FIRST CENTURY; THE NEW REALITIES,BY PETER F. DRUCKER,(HARPER & ROW: $19.95;288 PP.; 0-06-016129-9), By Jeffrey E. Gar Garten, president of Eliot Group Inc., an investment banking firm in Ne writes frequently on economics and politics., LEAD: As dusk settles on t 1980s, the landscape of the next decade appears eerily unclear. In Amer debt and deficits seem out of control. The Soviet Union and China are wa between openness and anarchy. Japan's high-gear economy must now reckon political upheaval in Tokyo. National pride is competing fiercely with t forces of economic integration in Western Europe., Book Review

May 20, 1989, OPINION; Pg. 11, 1086 words, Significant issues wide c Japan-EC ties, By Jeffrey E. Garten; Jeffrey E. Garten is president of E Group Inc., New York investment bankers. He formerly directed the Far Ea investment banking business of Shearson Lehman Brothers from Tokyo, and in the Nixon, Ford and Carter administrations.

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, May 1 1989, Sunday, Home Edition, Opinion; Part 5; Page 5; Column 1; Op-Ed Des

ords, RECESSION BLUES WON'T PLAY ABROAD, By JEFFREY E. GARTEN, Jeffrey E. arten is president of the Eliot Group Inc., an investment banking firm in New ork. He worked in the Nixon, Ford and Carter Administrations., LEAD: irturally all indicators show the American economy slowing down, and worries bout a recession are mounting. In this unprecedented sixth year of a business xpansion, even optimists are holding tneir breath., Opinion

HEADLINE Latin debt may be unsolvable
* Byline: Jeffrey E. Garten
DATE 02/20/89
SOURCE STAR TRIBUNE Mpls.-St. Paul Newspaper of the Twin Cities (MSP)
Edition: METRO
Section: NEWS
Page: 11A
Origin: Los Angeles, Calif.
(Copyright 1989)

HEADLINE Beyond any solution - the Latin debt morass
* Byline: JEFFREY E. GARTEN
Column: Outlook
Corrections: Garten is the president of Elliot Group Inc., an investment-banking company in New York.
DATE 02/16/89
SOURCE HOUSTON CHRONICLE (HOU)
Edition: 2 STAR
Section: B
Page: 11
Category: EDITORIAL OPINION
(Copyright 1989)

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, February 14, 1989, Tuesday, Home Edition, Metro; Part 2; Page 7; Column 3; Op-Ed Desk, 809 words, TOO FAR GONE TO FIX?; RESCUE OF S&LS BEGINS, BUT LATIN DEBT MAY DEFY SOLUTION, By JEFFREY E. GARTEN, Jeffrey E. Garten is the president of Elliot Group Inc., an investment-banking firm in New York., LEAD: Now that President Bush has weighed in with a gutsy plan to rescue the nation's savings-and-loan he will have to turn to the next bailout -- debt-swamped Latin America.

Copyright (c) 1989 The New York Times Company; The New York Times, February 12, 1989, Sunday, Late City Final Edition, Section 7; Page 12, Column 1; Book Review Desk, 907 words, RAMBO ECONOMICS, By JEFFERY E. GARTEN; Jeffrey E. Garten is president of the Eliot Group, an investment banking company in New York., LEAD: THE ECONOMICS OF CHAOS On Revitalizing the American Economy. By Eliot Janeway. 402 pp. New York: Truman Talley Books/E. P. Dutton. $22.50.

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, January 28, 1989, Saturday, Home Edition, Metro; Part 2; Page 8; Column 4; Op-Ed Desk, 8 words, BIG BARK, NO BITE; CONGRESS' POWER ON WALL STREET PEAKED YEARS AGO, B JEFFREY E. GARTEN, Jeffrey E. Garten is president of Eliot Group Inc., an investment banking firm in New York., LEAD: This week, the Senate Finance Committee took up hearings on mergers, takeovers, leveraged buyouts, corpora debt and other assorted sins often blamed on Wall Street., Opinion

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, January 9, 1989, Monday, Home Edition, Metro; Part 2; Page 5; Column 2; Op-Ed Desk, 800 words, MORALITY OF MARKETPLACE IS FIT SUBJECT FOR BUSH; INAUGURAL SHOULD SET THE TONE AGAINST GREED AND SLEAZE IN FINANCIAL ARENA, By JEFFREY E. GARTEN, Jeffrey E. Garten is president of Eliot Group Inc., an investment banking firm in New York, and worked in the Nixon, Ford and Carter administrations., LEAD: When the investment banking firm of Drexel Burnham Lambert Inc. pleaded guilty to six counts of mail, wire and securities fraud a few weeks ago, a sad chapter was added to the excesses of Wall Street in the late 1980s. As he takes office, George Bush should speak out against such crimes.;

Copyright (c) 1988 The New York Times Company; The New York Times, October 24, 1988, Monday, Late City Final Edition, Section A; Page 17, Column 1; Editorial Desk, 730 words, The Emerging Trade Threat, By Jeffrey E. Garten; Jeffrey E. Garten is president of Eliot Group Inc., an investment banking firm., LEAD: While Bush and Dukakis out-Rambo one another on national defense and trade, real foreign policy pressures are building. The United States, Europe and Japan risk being pulled apart by three super-regional blocks of nations now forming in our own hemisphere, across the Atlantic and in East Asia. The results could be a more protectionist world economy, more trouble in handling Moscow and less clout.

St. Petersburg Times, July 22, 1988, Friday, City Edition, EDITORIAL; COLUMNS; Pg. 17A, 688 words, Policies of Bonn, Tokyo back Bush, JEFFREY E. GARTEN

. Copyright (c) 1988 The New York Times Company; The New York Times, July 21, 1988, Thursday, Late City Final Edition, Section A; Page 25, Column 1; Editorial Desk, 692 words, How Bonn, Tokyo Slyly Help Bush, By Jeffrey E. Garten; Jeffrey E. Garten is president of the Eliot Group Inc., an investment banking company., LEAD: While Americans will choose their next President in November, the Japanese and West German Governments have already cast their votes. George Bush is their man, and they are propping up the dollar to assure him smooth economic sailing in the campaign.

Copyright (c) 1988 The New York Times Company; The New York Times, June 12, 1988, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1027 words, BUSINESS FORUM: ONE WORLD, ONE MARKET; We Need Global Regulations for Stocks, By JEFFREY E. GARTEN; Jeffrey E. Garten is president of the Eliot Group, an investment banking firm., LEAD: WE have enough of post-mortems on the Oct. 19 stock market collapse. But despite all the reports and Congressional hearings, one major aspect of stock market supervision has gone unstudied and unattended - the regulation of stocks that are issued and traded across national borders. This is a very dangerous omission.

Copyright (c) 1988 The New York Times Company; The New York Times, June 12, 1988, Sunday, Late City Final Edition, Section 7; Page 42, Column 2; Book Review Desk, 1019 words, WHY JAPAN CLOBBERED US (Cont.), By Jeffrey E. Garten; Jeffrey E. Garten, president of the Eliot Group, an investment banking company, worked in Tokyo from 1984 to 1986 and held various economic posts in the Nixon, Ford and Carter Administrations., LEAD: TRADING PLACES How We Allowed Japan to Take the Lead. By Clyde V. Prestowitz Jr. 365 pp. New York: Basic Books. $19.95.

Copyright (c) 1988 The New York Times Company; The New York Times, March 27, 1988, Sunday, Late City Final Edition, Section 6; Part 2, Page 8, Column 1; Business World Magazine, 1054 words, TO START WITH . . .; What Happened to the Revolving Door, By JEFFREY E. GARTEN; Jeffrey E. Garten is an investment banker in New York., LEAD: THE CLOSING BELL AT the New York Stock Exchange had not even sounded on Black Monday before Wall Street was blaming the Reagan Administration and Congress for provoking the crash with out-of-control budgets and deliberate debasement of the dollar. Washington, meanwhile, was accusing the investment banking crowd, with its megabillion-dollar mergers and exotic trading techniques, of turning our capital markets into one gigantic casino.

Copyright (c) 1987 The New York Times Company; The New York Times, November 29, 1987, Sunday, Late City Final Edition, Section 6; Part 2, Page 90, Column 1; Magazine Desk, 916 words, WHEN THE DAY NEVER ENDS, By Jeffrey E. Garten; Jeffrey E. Garten is a New York investment banker., LEAD: THE SUN WAS JUST RISING OVER MY tiny garden apartment in Tokyo when I placed the call to my boss in New York. I was in urgent need of some instructions to complete a multimillion-dollar deal. My sleeves were rolled up, my morning coffee was steaming on the kitchen table and I was in high gear.

Copyright (c) 1987 The New York Times Company; The New York Times, November 5, 1987, Sunday, Late City Final Edition, Section 4; Page 25, Column 1; Editorial Desk, 820 words, The Looming Crisis With Bonn and Tokyo, By JEFFREY E. GARTEN; Jeffrey E. Garten, a New York investment banker, was deputy director of the State Department policy planning staff from 1976 to 1978., LEAD: As the panic on Wall Street fades, another crisis is brewing, this time between Washington, Bonn and Tokyo. It may be of more lasting significance than the financial debacle.

Copyright (c) 1987 The New York Times Company; The New York Times, September 6, 1987, Sunday, Late City Final Edition, Section 7; Page 9, Column 1; Book Review Desk, 1136 words, LAST OF THE ONE-MAN TIAANS, By JEFFERY E. GARTEN; Jeffrey E. Garten, an investment banker and former State Department official, writes frequently on economics and politics., LEAD: A MAN OF INFLUENCE The Extraordinary Career of S. G. Warburg. By Jacques Attali. Translated by Barbara Wilis. 380 pp. Bethesda, Md.: Adler & Adler. $22.50.

Copyright (c) 1987 The New York Times Company; The New York Times, May 5, 1987, Tuesday, Late City Final Edition, Section A; Page 35, Column 1; Editorial Desk, 1230 words, It All Came to Nothing, By Jeffrey E. Garten; Jeffrey E. Garten, a managing director of Shearson Lehman Brothers Inc., recently returned from a three-year assignment in Japan., LEAD: As the dust settles from Prime Minister Yasuhiro Nakasone's trip to Washington, this latest summit meeting can be appraised for what it was - a sad demonstration of the impotence of political leadership on both sides of the Pacific.

Copyright (c) 1987 The New York Times Company; The New York Times, January 11, 1987, Sunday, Late City Final Edition, Section 7; Page 9, Column 1; Book Review Desk, 680 words, THE COLORS OF WALL STREET, By Jeffrey E. Garten; Jeffrey E. Garten is a managing director of Shearson Lehman Brothers., LEAD: THE PANIC OF '89 By Paul Erdman. 304 pp. New York: Doubleday & Company. $17.95.

Copyright (c) 1986 The New York Times Company; The New York Times, December 3, 1986, Sunday, Late City Final Edition, Section 3; Page 2, Column 3; Financial Desk, 1543 words, BUSINESS FORUM: WHO LOST EAST HAMPTON?; 1987, A YEAR WE WON'T SOON FORGET, By ROGER C. ALTMAN and JEFFREY E. GARTEN: Roger C. Altman and Jeffrey E. Garten, managing directors of Shearson Lehman Brothers Inc., received advanced degrees in economic forecasting from the Herbert Hoover School of Finance., LEAD: IF you are a corporate executive who resists planning ahead, consider yourself an enemy of America in the competitive world market. Yes, it is holiday time and there are more enjoyable diversions. But big changes are in store and the prudent executive must prepare. Here, accordingly, is a not-so-cautious guide for 1987.

Copyright (c) 1986 The New York Times Company: Abstracts, BY JEFFREY E GARTEN, THE GATT MINE FIELD, WALL STREET JOURNAL, Section 1; Page 30, Column 4,

JOURNAL-CODE WSJ, September 11, 1986, Thursday

Copyright (c) 1986 The New York Times Company; The New York Times, August 8, 1986, Friday, Late City Final Edition, Section A; Page 27, Column 1; Editorial Desk, 1073 words, The Global Pocketbook, By Jeffrey E. Garten; Jeffrey E. Garten is a managing director at Shearson Lehman Brothers who is based in Tokyo., TOKYO LEAD: WHEN the Federal Reserve head, Paul Volcker, told Congress last week that the sagging American economy needs a bail-out from West Germany and Japan, it was a far cry from how the Reagan team used to brag about America's status as the world's economic locomotive. Even so, it was an understatement of our weakness.

Copyright (c) 1986 The New York Times Company; The New York Times, July 20, 1986, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1176 words, A THREAT TO STABILITY; TAMING THE SWINGS OF THE YEN AND DOLLAR By JEFFREY E. GARTEN; Jeffrey E. Garten is a managing director of Shearson Lehman Brothers, based in Tokyo., LEAD: A HALF-CENTURY ago the rising sun meant Japanese militarism. For the last two decades, it has signified Tokyo's relentless conquest of foreign markets. Today, it could be the soaring yen, a serious threat to global economic stability.

Copyright (c) 1985 The New York Times Company; The New York Times, September 1, 1985, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1154 words, CAN JAPAN CREATE A NATION OF CONSUMERS?, By JEFFREY E. GARTEN;

Copyright (c) 1985 The New York Times Company; The New York Times, August 12, 1985, Monday, Late City Final Edition, Section A; Page 17, Column 1;

Editorial Desk, 1040 words, America's Economic House of Cards, By Jeffrey E. Garten; Jeffrey E. Garten manages the Far East investment banking activities for Shearson Lehman Brothers., TOKYO, LEAD: America's economy has become a house of cards, and the most wobbly part is not interest rates or the budget or trade - it is the United States dollar. A major drop in the value of the dollar is not inconceivable. And Washington is poorly prepared for it.

HEADLINE Asia:
Japan's Success at Exporting Won't Be Duplicated
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* By Jeffrey E. Garten

ATE 07/08/85
OURCE WALL STREET JOURNAL (J)

Copyright 1985 The New York Times Company: Abstracts , BY JEFFREY E GARTEN, ALL STREET JOURNAL, Section 1; Page 13, Column 3, JOURNAL-CODE WSJ, July 8, 985, Monday

Copyright (c) 1985 The New York Times Company; The New York Times, June 16, 985, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial esk, 1201 words, ADDICTED TO IMPORTS; AMERICA'S RETREAT FROM PROTECTIONISM, By

EFFREY E. GARTEN; Jeffrey E. Garten manages the Far Eastern investment banking ctivities of Shearson Lehman Brothers Inc. from Tokyo., LEAD: TOMORROW marks he day in 1930 that Congress passed the Smoot-Hawley Tariff Act, the highest mport levy in American history. This single act provoked a wave of etaliation, forced Europe to suspend debt repayments and caused world commerce o dry up. Is the United States once again poised for such wide-spread rotectionism?

Copyright (c) 1985 The New York Times Company; The New York Times, May 8, 985, Wednesday, Late City Final Edition, Section A; Page 27, Column 1; ditorial Desk, 899 words, HOW THE HANDLE THE JAPANESE, By Jeffrey E. Garten; effrey E. Garten, an investment banker based in Tokyo, was a member of the tate Department policy-planning staff in the Ford and Carter Administration., OKYO, LEAD: Despite the hullabaloo, not much has happened in recent months to revent America's trade deficit with Japan from soaring further.

Copyright (c) 1984 The New York Times Company; The New York Times, September 3, 1984, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; inancial Desk, 1159 words, DON'T USE MEXICO'S SOLUTION AS A MODEL, By JEFFREY . GARTEN.

Copyright (c) 1984 The New York Times Company: The New York Times, August 8, 984, Wednesday, Late City Final Edition, Section A: Page 23, Column 2; ditorial Desk, 786 words, EUTHANASIA FOR CONTINENTAL, By Jeffrey E. Garten ; effrey E. Garten is an investment banker., LEAD: When Congress holds hearings n the virtual nationalization of Continental Illinois National Bank and Trust ompany next month, it should howl. The Administration's latest large-scale ntervention was a mistake.

Copyright (c) 1984 The New York Times Company; The New York Times, June 10, 984, Sunday, Late City Final Edition, Section 3; Page 2, Column 3; Financial esk, 929 words, THE IMPORTANCE OF FREEING THE YEN; FEW IMMEDIATE REWARDS FOR HE U.S., By JEFFREY E. GARTEN, LEAD: THE negotiations were stormy.

CCESS # 840604-0201.
EADLINE LEISURE & ARTS -- Business Bookshelf:
Selective Services:
The Future of Banking
---
* By Jeffrey E. Garten
ATE 06/04/84
OURCE WALL STREET JOURNAL (J)

CCESS # 840529-0061.
EADLINE Dealing With a Changed Banking System

Chaos, Not Confidence, Reigns;
Congress Must Restore Order
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* By Jeffrey E. Garten
ATE 05/29/84
OURCE WALL STREET JOURNAL (J)

Copyright (c) 1984 The New York Times Company; The New York Times, April 29, 984, Sunday, Late City Final Edition, Section 7; Page 20, Column 5; Book eview
esk, 1050 words, SICKLY UNCLE SAM, By Jeffrey E. Garten, LEAD: Jeffrey E. arten, a member of the State Department Policy Planning Staff in the Ford and arter Administrations, is a vice president of Lehman Brothers Kuhn Loeb.
RADE
AR

Copyright (c) 1984 The New York Times Company; The New York Times, March 25, 984, Sunday, Late City Final Edition, Section 6; Page 70, Column 3; Magazine esk, 3913 words, AID IN THE EIGHTIES, By Jeffrey E. Garten, LEAD: Jeffrey E. arten, who was deputy director of the State Department's Policy Planning Staff n 1978-79, is now vice president of Lehman Brothers Kuhn Loeb Inc.

Copyright (c) 1984 The New York Times Company; The New York Times, March 16, 984, Friday, Late City Final Edition, Section A; Page 25, Column 1; Editorial esk, 768 words, U.S. OFFER BIG STEEL A DEAL, By Jeffrey E. Garten and Roger C. ltman ; Jeffrey E. Garten, deputy director of the State Department policy lanning staff in 1977 and 1978, is a vice president of Lehman Brothers Kuhn oeb, and Roger C. Altman, Assistant Secretary of the Treasury for Domestic inance from 1977 to 1980, is a managing director of the firm., LEAD: Big steel s asking Washington for two concessions. It is calling for a halt to crippling oreign imports. And it wants exemption from antitrust prosecution on at least wo proposed mergers. Both requests give Washington an opportunity to breathe ew life into one of America's critical industries.

Business Week, March 5, 1984, IDEAS & TRENDS: Pg. 18, 834 words, STIMULATE OMMERCIAL TECHNOLOGY -- OR ELSE, BY ROGER C. ALTMAN AND JEFFREY E. GARTEN: OGER C. ALTMAN, FORMERLY ASSISTANT TREASURY SECRETARY FOR DOMESTIC FINANCE, IS

. MANAGING DIRECTOR OF LEHMAN BROS. KUHN LOEB INC. JEFFREY E. GARTEN IS A 'ICE-PRESIDENT OF LEHMAN BROS. AND TEACHES POLITICAL ECONOMY AT NEW YORK NIVERSITY

Foreign Affairs, 1984, America and the World, Pg. 538, 8399 words, Gunboat conomics, Jeffrey E. Garten; Jeffrey E. Garten manages the Far Eastern nvestment banking activities of Lehman Brothers from Tokyo. He wa on the taff of the White House Council on International Economic Policy in the Nixon dministration and a member of the State Department's Policy Planning Staff nder Presidents Ford and Carter. The author is grateful for research ssistance provided by Maria Zammit. Copyright (c) 1985 by Jeffrey E. Garten.

CCESS # 840106-0189.
EADLINE LEISURE & ARTS -- Business Bookshelf:
The Bankruptcy Boom and How to Bust It
* By Jeffrey E. Garten
ATE 01/05/84
OURCE WALL STREET JOURNAL (J)

Copyright (c) 1983 The New York Times Company: The New York Times, October 6, 1983, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; inancial Desk, 1162 words, BUSINESS FORUM: THE ONLY SOURCE OF 'PATIENT APITAL' and JEFFREY E. GARTEN, LEAD: Before today's teen-agers finish college, omputers will interpret changes in tax law and plan tax strategies for usiness. Robots will replace humans in radioactive nuclear plants. Genetically ngineered bacteria will produce new chemicals to extract metal from poor ores nd petroleum from dry wells.

Copyright (c) 1983 The New York Times Company: The New York Times, October , 1983, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; inancial Desk, 1119 words, BUSINESS FORUM; THE FALLACY OF A MODERN-DAY R.F.C., OGER C. ALTMAN and JEFFREY E. GARTEN; Roger C. Altman, Assistant Treasury ecretary for Domestic Finance from 1977 to 1980, is a managing director of ehman Brothers Kuhn Loeb. Jeffrey E. Garten, Deputy Director of the State epartment Policy Planning Staff from 1977 to 1978, is a vice president at ehman Brothers., LEAD: WHEN the A.F.L.-C.I.O. proposed the creation of a ational development bank last week, it joined several distinguished inanciers, corporate executives, politicians and professors in urging ashington to bankroll the reindustrialization of our economy.

Copyright (c) 1983 The New York Times Company: The New York Times, September , 1983, Friday, Late City Final Edition, Section A; Page 19, Column 1; ditorial Desk, 753 words, TO HELP LATIN ECONOMIES, By Jeffrey E. Garten ; effrey E. Garten is a vice president of Lehman Brothers Kuhn Loeb Inc., an nvestment banking firm, and teaches political economy at New York University., EAD: On the first anniversary of the Latin American debt crisis next week, no ne will celebrate, least of all the economic ministers of the Western emisphere gathering in Caracas, Venezuela, to take stock and share miseries.

Copyright 1983 The New York Times Company: Abstracts , BY JEFFREY E GARTEN, ALL STREET JNL, Section 1; Page 14, Column 3, JOURNAL-CODE WSJ, August 1, 983, Monday

Copyright 1983 The New York Times Company: Abstracts , BY JEFFREY E GARTEN, IAMI HERALD, Section 1; Page 27, Column 1, JOURNAL-CODE MH, March 19, 1983, aturday

Copyright (c) 1983 The Financial Times Limited: Financial Times, March 14, 983, Monday, SECTION III; Financial Times Survey; International Capital arkets III: Institutions; Pg. III Note: This table may be divided, and dditional information on a particular entry may appear on more than one screen., 1992 words, Heightened role as burdens multiply, JEFFREY E. GARTEN

Copyright (c) 1983 The New York Times Company: The New York Times, January 12, 1983, Wednesday, Late City Final Edition, Section A; Page 23, Column 1;

Editorial Desk, 806 words, FOR A TRADE POLICY FOUNDED ON REALISM, By Jeffrey E. Garten, LEAD: When the Senate Finance Committee holds trade hearings later this month, farmers in Kansas, auto makers in Michigan, scientists in Silicon Valley in California and Wall Street bankers will follow them carefully. Will they hear more than rhetoric about free trade from economic theorists and more than protectionist pleading from special-interest groups?

Copyright (c) 1982 The New York Times Company; The New York Times, September 9, 1982, Thursday, Late City Final Edition, Section A; Page 27, Column 1; Editorial Desk, 885 words, A WORLD BANKING PERIL, By Jeffrey E. Garten, LEAD: As Mexico, Poland and Argentina edge toward bankruptcy, world banking is likely to be presented with its worst crisis since the Great Depression. A coordinated strategy by the governments of the industrial democracies is indispensable.

Copyright (c) 1982 The New York Times Company; The New York Times, August 29, 1982, Sunday, Late City Final Edition, Section 4; Page 19, Column 1; Editorial Desk, 890 words, AT I.M.F., AMERICA AND THE THIRD WORLD, By Jeffrey E. Garten, LEAD: At the annual meeting of the World Bank and the International Monetary Fund, in Toronto next week, a major issue will be whether the United States is losing interest in third-world development. It is a fair question, and there is good reason for America to rethink its policies.

Copyright (c) 1982 The New York Times Company; The New York Times, June 27, 1982, Sunday, Late City Final Edition, Section 3; Page 2, Column 5; Financial Desk, 861 words, Comment; SUBWAY DEFENSE, By JEFFREY E. GARTEN, LEAD: WASHINGTON has now jumped into the battle to block a deal between N ew York City and Canada for the sale of much needed subway cars. Last week, the United States Government formally accused Canada of i llegally subsidizing the subway car sale, thereby promising a s lugging match with our most important trading partner.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Fitz-Pegado (LAST) Lauri (FIRST) Joy (OTHER)

Position to which nominated: Assistant Secretary and Director General of the U.S. & Foreign Commercial Service

Date of nomination: 9/16/93

Date of birth: 6 (DAY) 10 (MONTH) 55 (YEAR)

Place of birth: Washington, D.C.

Marital status: Married

Full name of spouse: Fernando Silverio Pinto Pegado

Name and ages of children:

Fernando H. Pegado 18

Ana L. Pegado 15

Briana N. F. Pegado 1

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Johns Hopkins School of Advanced International Studies	'82-'86	M.A.	'86
Vassar College	'73-'77	B.A.	'77

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Phi Beta Kappa '77

Federal Junior Fellowship '73-'77

Ford Foundation Dance Scholarship '63-'73

Memberships: List below all memberships and offices held in professional fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Council on Foreign Relations	member	'83 -
African American Alumnae/i Association of Vassar College	Chairperson	'90-'93
Educating Minorities for Careers in International Affairs	Steering Committee	'91 -
The Women's Forum	member	'92 -
Capital Press Club	member	'84 -
WKYS Radio Community Advisory Board	member	'90 -

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

6/82-6/93	Hill and Knowlton, Inc. 901 31st St. N.W. Wash., D.C.	public affairs
2/78-4/82	U.S. Information Agency 1776 Penn Ave., N.W. Washington, D.C.	foreign service
5/77-4/82	U.S. Information Agency	personnel/training

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

U.S. Information Agency -- foreign service, personnel, offic
of public information, Voice of America

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

None

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

11/92-1/93 Director of Public Liaison, Clinton-Gor
Presidential Election Commitee

'89-'92 International Policy and Communications Advis
Chairman, Democratic National Committee

'88 Press Secretary to Ronald Brown, Democratic
National Convention

Political contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients

No Records Available Prior to 1987

1988 Jackson for President $510

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See Attached

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Upon joining the Department of Commerce, I severed all ties with my former employer.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

No

3. Has anybody made you a commitment to a job after you leave government?

No

4. Do you expect to serve the full term for which you have been appointed?

If confirmed, I will serve at the pleasure of the President.

Potential conflicts of interest

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers. [illegible] facts by policies which you will follow in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

Government of Angola -- U.S. Government public policy regarding diplomatic recognition of Angola '85, '91-'93

Government of Haiti -- Research and support for lobbying effort regarding humanitarian assistance and Caribbean Basin Initiative certification '83-86

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

I will consult with the General Counsel of the Department of Commerce and, if appropriate divest myself of conflicting interests, recuse myself, or obtain a waiver of conflict of interest restrictions under 18 U.S.C. 208 (b) if the interest is not substantial.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation

None

OTHER:

In June 1988, upon my return from London where I was married, I was cited by U.S. Customs for failing to declare a gift from my husband -- a dress for my wedding reception. I paid a penalty at the time.

QUALIFICATIONS

In assessing the range of responsibilities and skills required of the Assistant Secretary and Director General of the U.S. and Foreign Commercial Service -- understanding international business interests; effective marketing and promotion of U.S. exports; communicating with the overseas public and private sectors; identifying strengths, leveraging capabilities and building networks among federal, state and local governments and the private sectors in the U.S. and abroad; cooperating with other federal agencies engaged in trade policy development and promotion; and managing diverse human resources -- I consider myself privileged to have had the opportunity personally and professionally to acquire and hone many of these skills.

Opportunities I have been afforded, including selection for a foreign language pilot program in the Washington, D.C. public schools, receiving a Ford Foundation scholarship and winning a Federal Junior Fellowship, have been pivotal since my early years in shaping my academic, personal and professional development.

The elementary school exposure to Spanish nourished in me a facility for foreign languages and curiosity about other cultures and people. It led to my academic pursuit of Hispanic Studies at Vassar, my M.A. in international economics and Latin American studies from Johns Hopkins School of Advanced International Studies and most importantly, an early appreciation for the importance of effective international communication.

The Ford Foundation Scholarship enabled me to study ballet at one of our nation's first schools for young African Americans. In addition to learning about music and dance, I was exposed to and refined characteristics which have served me well in all aspects of my life -- discipline, competition, perseverance, time management and teamwork.

My introduction to the federal government twenty years ago through the Federal Junior Fellowship program directed me to the U.S. Information Agency. There, I first learned about promoting and encouraging U.S. interests abroad. Ultimately, my work at the Voice of America and in the Office of Public Information influenced my career decision to represent our country overseas as a foreign service officer, completing tours in the Dominican Republic and in Mexico.

I spent eleven years in the private sector as a public affairs strategist for U.S. and international interests. My work led me to meet and negotiate with international public and private sector officials and representatives in many countries. It demanded the ability to manage people and resources in the U.S. and abroad, to analyze policies and issues, to build inter-cultural, national, and grassroots programs and to interact effectively with a cross-section of global, government and private sector representatives.

Export promotion is a top priority for this Administration and for the United States, essential to deficit reduction and to improving our economy. My life experiences have prepared me for the challenge of this position and I welcome the prospect of serving the American people.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: DESPRES (LAST) JOHN (FIRST) _____ (OTHER)

Position to which nominated: ASSISTANT SECRETARY OF COMMERCE FOR EXPORT ENFORCEMENT Date of nomination: August 6, 1993

Date of birth: 14 (DAY) October (MONTH) 1942 (YEAR) Place of birth: Washington, DC

Marital status: Married Full name of spouse: Georgina Helen Despres

Name and ages of children: Sarah Despres 26

Naomi Despres 24

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	Harvard College	Sep'60-Aug'63	BA	1964
	Univ. of Calif.	1964-70		

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

NONE

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

~~Federal employment listed above with:~~

~~Bureau of the Budget, 1966~~
Arms Control and Disarmament Agency, 1976-7
~~Intelligence Community, 1977-79~~
Departments of Energy and State, 1980-1
~~Department of Defense, 1981-5~~
US Senate, 1985-93

~~In addition, employment at the RAND Corp., 1971-6,~~ involved contracts for studies and consultation for the Departments of the Air Force, Defense, and State.

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

"Global Political and Economic Trends: Implications for East Asia," a paper for a conference and book on Security and Economics in the Asia-Pacific Region, published by Georgetown University's Center for Strategic and International Studies, 1991.

"US-Japanese Relations in the 1990's," a paper for a workshop and book on American and Japanese World Perspectives: A World of Transition, edited by Henry Rowen and Masataka Kosaka and published by the Security Conference on Asia and the Pacific (SeCAP), 1990.

"Intelligence and the Prevention of Nuclear Terrorism," a paper for a conference and book on Preventing Nuclear Terrorism, edited by Paul Leventhal and Yonah Alexander and published by Lexington for the Nuclear Control Institute, 1987.

TIMELY LESSONS OF HISTORY: The Manchurian Model for Soviet Strategy, a report published by the RAND Corp., 1976.

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

NONE

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
NONE		

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

~~Staff of Senate Select Comm. on Intelligence, Assistant~~ to Senator Bradley, July 1985-May 1993

~~Director of the Institute for National Strategic Studies~~, Task Force Manager of the Strategic Concepts Development ~~Center, and Analyst at the National Defense University~~, Ft. McNair, Washington DC, December 1981-May 1985.

~~Assistant to the Undersecretary of State for Economic~~ Affairs and Director of Strategic Assessments in the Office of ~~International Affairs, Dept. of Energy, Jan.'80-Dec.~~'81

National Intelligence Officer for Nuclear Proliferation, CIA Hqs., Aug.'77-Dec.'79.

Chief of the Economics Division, Verification and Analysis Bureau, Arms Control and Disarmament Agency, Jan.'76-Aug'

Economist at the RAND Corp. and Instructor of Strategic Studies at the RAND Graduate Institute, Sep.'70-Dec.'76.

Assistant Professor of Economics and East Asian Studies at Washington University, St. Louis, Mo., Jan.-June 1973.

Graduate Intern at the Bureau of the Budget, June-Sep.'66.

Research Assistant at the Harvard Economic Research Project, Cambridge, Mass., July-Dec. 1963.

Political contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

NONE

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

SEE ATTACHMENT

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

All such connections will be severed.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I have no such plans.

3. Has anybody made you a commitment to a job after you leave government?

NO

4. Do you expect to serve the full term for which you have been appointed?

YES

QUALIFICATIONS AS ASST. SEC. OF COMMERCE FOR EXPORT ENFORCEMENT

My main qualification for this position is my understanding of why the US should, and how it can, be a model and mentor to the rest of the world for enforcing controls on illegal exports. Over seventeen years of service in five Executive departments and agencies as well as the Congress, I have learned how best to meet many of the challenges of export control policy and enforcement.

As a participant and observer, I have often seen US policy-making, intelligence, law enforcement, and diplomatic officials (and agencies) succeed as a team in preventing and deterring illegal exports which could have done great harm. However, I have also seen failures in the absence of US leadership and teamwork, as in the late 1980's when procurement agents for Iraqi strategic programs foiled US-led nuclear, missile, chemical, and biological weapons control regimes. US leadership and teamwork were the keys to successfully enforcing multilateral non-proliferation controls in the late 1970's and East-West (COCOM) controls in the 1980's. Similarly, stemming the spread of massively destructive weaponry in the 1990's hinges on effectively enforcing controls over strategic, dual-use exports, not only in the US but, even more, elsewhere.

I first encountered the competing pressures of national security and export expansion policies in 1976 as Chief of the Economics Division in the Arms Control and Disarmament Agency, where I evaluated proposals for East-West and non-proliferation export controls. Then, as the National Intelligence Officer for Nuclear Proliferation, 1977-9, I helped to enforce multilateral controls on dual-use exports by countries that were supplying strategic programs in South Africa, Pakistan, Iraq, and Iran.

As a policy analyst in the Departments of Energy, State, and Defense, 1980-5, I reviewed strategic export issues, including key cases involving the Soviet Union, Eastern Europe, and China. I also headed several staffs and offices of increasing size and complexity, and was the first Director of the Institute for National Strategic Studies at the National Defense University.

Since 1985, as Senator Bradley's assistant for international affairs and security policy on the staff of the Select Committee on Intelligence, I helped him develop policies toward the Soviet Union and its successors, Japan, China, Eastern Europe, Mexico, Germany, et. al. I also oversaw the US Intelligence Community, including its support for enforcing export controls. I observed big weaknesses in strategic export control enforcement by Japan, Germany, China, and other major suppliers. Finally, in responding to the concerns of US exporters, I learned about job losses and competitive disadvantages imposed by the delays, constraints, and uncertainties of strategic trade regulation.

In short, my work in government has shown me the importance, difficulties, methods, and limits of enforcing export controls.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

I will consult with the General Counsel of the Department of Commerce and, if appropriate, divest myself of the conflicting interests, recuse myself, or obtain a waiver of the conflict of interest restrictions of the interest is not substantial.

ivil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Gilmartin (LAST) William (FIRST) Joseph (OTHER)

Position to which nominated: Assistant Secretary for Congressional & Intergovernment Rels Date of nomination:

Date of birth: 11 (DAY) 16 (MONTH) 49 (YEAR) Place of birth: Springfield, Massachusetts

Marital status: Married Full name of spouse: Lois Anne Starkey

Name and ages of children: None

Education:

Institution	Dates attended	Degrees received	Dates of degrees
College of the Holy Cross Worcester, MA	1967-1971	B.A.	1971

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Four Year Full Tuition Scholarship - Holy Cross

National Defense Service Medal

Good Conduct Medal

Army Commendation Medal

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
OMB Watch Washington, D.C.	Board Member	1983 - Present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

1. 6/71 - 10/71 — Tire Builder
   Uniroyal, Inc.
   Chicopee, MA

2. 10/71 - 1/75 — Enlisted U.S. Army
   Duty: Congressional Liaison
   Rayburn Building
   Washington, D.C. 20515

3. 3/75 - 5/78 — Special Projects Assistant
   U.S. Representative Bob Traxler
   U.S. House of Representatives
   Washington, D.C. 20515

4. 5/78 - 4/81 — Senior Legislative Assistant
   Office of Congressional Affairs
   U.S. Department of HUD
   Washington, D.C. 20410

5. 2/81 - 5/81 — Part-Time Bartender
   Dubliner Restaurant
   Washington, D.C. 20001

William J. Gilmartin

Employment Record cont.

6.	5/81 - 1/86	Legislative Representative Planned Parenthood Federation of America 2010 Massachusetts Avenue, NW Washington, D.C. 20036
7.	1/86 - 1/93	Legislative Director U.S. Representative Bob Traxler Washington, D.C. 20515
8.	1/93 - 4/93	Unemployment
9.	4/93 to Present	Legislative Officer U.S. Department of HUD Washington, D.C. 20410

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

Worked for U.S. Rep. Rob Traxler, 1975 - 1978 and 1986 - 1993.

Worked for HUD 1978 - 1981 and 4/93 to Present

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

None

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Volunteer - Mondale for President - October 1984

Political contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

None

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

N/A (Currently employed by HUD in Schedule C position)

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

None

3. Has anybody made you a commitment to a job after you leave government?

No

4. Do you expect to serve the full term for which you have been appointed?

Yes

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

My wife is a government relations consultant for Manufactured Housing Institute, her previous employer. I have, and will continue to do so, recused myself from all dealings with manufactured housing issues.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

Registered lobbyist for Planned Parenthood Federation of America, Inc., 1981 - 1986.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

Will continue to recuse myself in all matters involving manufactured housing.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None

Qualifications: State fully your qualifications to serve in the position to which you have been named.

My entire 21-year working career in Washington has been devoted to working in, or with, the United States Congress. I have been extremely fortunate to observe and work with the Congress from many different vantage points and in different contexts.

My service in the United States Army's Congressional Liaison Office (House Division) afforded me a solid foundation in understanding the constituent service function of Congressional offices. Lessons learned in those years in helping Congressional offices to help their constituents have served me extremely well, by reinforcing the fact that all public service is grounded in constituent service.

Three years in then newly elected Congressman Bob Traxler's office sharpened that focus on constituent service in a way that only working for a first term House member can. When Rep. Traxler joined the House Appropriations Committee in 1975, I assisted him in HUD appropriations matters affecting his Congressional District.

My first tenure at HUD, 1978 to 1981, provided me with an intensive education in our nation's housing assistance programs and the Congressional Committees with jurisdiction over them. Those years provided me with extensive knowledge and perspective from the Executive Branch perspective.

Five years as Legislative Representative with the Planned Parenthood Federation of America, Inc. were valuable years in gaining a yet broader view of the Congress, the motivations of its members, and its procedures. My knowledge of the role and viewpoint of association representatives better enables me now to work with the many varied interest groups concerned with our nation's housing and urban development programs.

Returning to Rep. Traxler's office in 1986 as Legislative Director provided me the unique opportunity to return to the same constituent service oriented office I had left eight years earlier, but at a more senior level and in a position to fully utilize my broadened knowledge of the Congress, just as Mr. Traxler's role in the Congress expanded when he became Chairman of the VA-HUD and Independent Agencies Appropriations Subcommittee. In that capacity I represented the Chairman in dealings with the very broad range of interest groups concerned with funding our nation's housing, environmental, space, veterans and university research programs.

I believe this experience enables me to assist the Administration and HUD in representing its programs and views within the Congress and in representing the processes, needs and views of the Congress within HUD and the Administration.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR RIEGLE FROM JEFFREY E. GARTEN

Q.1. This Committee fashioned and the Senate has passed a bill entitled the Fair Trade in Financial Services Act on several occasions. The legislation is designed to give Treasury negotiators new leverage to end discrimination against U.S. financial firms in certain markets such as Japan, Korea, etc. It would, in essence, move the U.S. from a policy of unconditional national treatment to a policy of reciprocal national treatment on these matters.

When Secretary Bentsen was asked about this legislation at his confirmation hearing he replied: "The touchstone of our trade policy, including international negotiations on financial services, is that we must demand reciprocity."

Q.1a. Do you agree with this statement?

A.1a. Yes, I do.

Q.1b. If so, do you think our negotiating position on behalf of U.S. firms would be improved if we enacted the Fair Trade in Financial Services Act, under which U.S. authorities could deny applications from firms whose home countries discriminate against U.S. firms?

A.1b. Yes, I do.

Q.1c. If so, will you work with this Committee to get the Fair Trade in Financial Services bill enacted this year?

A.1c. Yes, I will, with pleasure.

Q.2. Mr. Taggart Murphy, a noted expert in Japan's financial markets, wrote an op-ed piece entitled "Stronger Yen, Weaker U.S." that appeared in the May 1, 1993 edition of the *New York Times.* He claims that continuing a policy of weakening the dollar to cure our trade deficit with Japan, begun in the Nixon Administration twenty years ago, will not work. He claimed that: "Japanese bureaucratic skill at blocking meaningful foreign participation in its economy is the real cause of the trade and investment balances." Do you think that Mr. Murphy makes a valid point?

A.2. I believe that Mr. Murphy makes a valid point. I am also an opponent of relying exclusively or even predominantly on exchange rates to rectify the U.S.-Japan trade imbalance. However, I think that the yen-dollar relationship of the mid-1980's was out of line, and that, on balance, appreciation of the yen since then has kept the trade balance from deteriorating even more than it would have.

Q.3. According to reports submitted by the Treasury Department to this Committee, we have been negotiating with Chinese officials for almost two years to get them to stop manipulating their currency to achieve unfair advantages in trade with the United States. While these unsuccessful negotiations have gone on China's trade surplus with the United States has continued to grow dramatically and is now approaching $20 billion. Do you agree with me that this is a totally unacceptable practice and if so what specific steps do you and the Administration plan to take to stop it?

A.3. Yes, I agree. I understand the Administration has been pressing China to liberalize its trade and exchange rate regimes in a number of fora. If this pressure is not successful, I would support full use of our laws as sanctions.

Q.4. Dennis Encarnation, a professor at the Harvard Business School, has written a new book about the U.S./Japan Economic relationship entitled *Rivals Beyond Trade.* In this book he argues a major reason for Japan's persistent trade surplus with our country is related to the gross imbalance in direct investment. Japan, he argues, followed policies of restricting U.S. investment there while its firms expanded their investment here. As a result two-thirds of all American imports from Japan are shipped "intra-company," i.e., from Nissan to its American subsidiaries, while the U.S. does not benefit from such "intra-company" trade into Japan.

Q.4a. Do you think this point made by Mr. Encarnation about the relationship of investment and trade has merit?

A.4a. Yes, I do. Clearly, some of our trade deficit can be attributed to intra-company trade.

Q.4b. If so, what sort of policies should we adopt to get at this problem?

A.4b. I believe that relentless pressure, including the use of U.S. law, should be applied to Japan to open its market not just to U.S. exports but also to U.S. investors. I understand the Administration is examining Japan's investment policies in the U.S.-Japan Framework negotiations. Issues such as Japan's exorbitant land prices and start-up costs for foreign firms investing in Japan are wider review and discussion.

Q.5. Mr. Masaru Hayami, the Chairman of the Japan Association of Corporate Executives, recently wrote an article entitled "Stronger Yen Will Benefit Japan in the Long Run" that appeared in the *Nikkei Weekly.* In the article Mr. Hayami notes that the appreciation of the yen over the years has helped Japanese industry because "it results in lower prices for imported materials including fuel." Do you agree with that point or do you think dollar depreciation will help our trade balance with Japan?

A.5. I do not think dollar depreciation alone is the proper focus for U.S. trade policy toward Japan. I do think that over time, however, a strong yen will make Japanese products more expensive in the U.S., and will, therefore, reduce some pressure on the import side. But as I noted above, exchange rates should constitute only one part of our strategy toward Japan.

Q.6. In the May 21 edition of the Japanese Times Mr. Hanawa, the Vice President of the Nissan Motor Co., said that his company would lose $50 million yen in revenue if the dollar falls further. Will this cause Nissan to lose market share here, or will they just shift production to lower cost Asian countries to maintain market share here?

A.6. My view is that Nissan will lose some market share here, and that some of it—but not all of it—will be made up by sales from other parts of Asia. Nissan's revenue loss is no excuse for our not pressing very hard for increased access to the market in Japan for U.S. automotive products.

Q.7. As Under Secretary, you will be the lead negotiator with the Japanese on the auto basket of the framework talks. The U.S. gov-

ernment has been carrying on negotiations with Japan over autos and auto parts for over a decade.

Q.7a. What is different about these negotiations?

A.7a. It is my reading of this Administration that it is more intent than previous Administrations on achieving concrete and measurable results. The use of measures will be more indicative of the progress being made. In addition, no previous agreement elevated automotive trade issues to this level of discussion. No previous agreement contained sectoral and macroeconomic elements and tight time frames all in one package.

Q.7b. Is the Administration willing to set specific goals, such as sales or increased market share, as part of the negotiations?

A.7b. It is my sense of the Administration that it will set specific goals. In formulating our strategy for these talks, Commerce has worked with U.S. industry to set ambitious, but achievable goals. We will be negotiating with the Japanese in terms of concrete measures (i.e., parts purchases by Japanese transplants, vehicle exports to Japan) and objective criteria for assessing progress and results.

Q.7c. Are you willing, as the lead negotiator, to recommend specific actions by the U.S. should the negotiations fail?

A.7c. Yes. If confirmed, I would recommend that we should take whatever measures we can, including those under U.S. trade law, to pressure Japan to open its market.

Q.7d. What actions are you willing to recommend to ensure that the Japanese live up to their commitments, both those made in the past and those made as part of these negotiations?

A.7d. If confirmed, I would examine every source of legitimate pressure that we have and would attempt to recommend a strategy that would ensure that the Japanese fulfill their commitments.

Q.8. The Commerce Department maintains the only office in the Federal Government devoted exclusively to policy issues affecting the automobile and parts industries. The Office of Automotive Affairs can play a unique role in providing objective advice in Administration discussions of regulatory, economic and trade policy issues which affect the U.S. auto industry. Could you share with us your views on the role of the Office of Automotive Affairs, and how they should coordinate their efforts with U.S. industry, particularly as you prepare to lead talks on automotive issues under the Japan Framework Agreement?

A.8. It is my understanding that the Office of Automotive Affairs has actively consulted with members of the U.S. automotive industry on numerous occasions prior to and after initial meetings under the U.S.-Japan Framework negotiations. In addition, Office representatives and the International Trade Administration's Acting Under Secretary have also met with House and Senate staff interested in the auto basket of the Framework negotiations.

I am informed that such consultations have allowed U.S. negotiators to be well coordinated with U.S. industry in developing negotiating agendas and strategies for the Framework. If confirmed,

I will ensure that the Office continues to work closely with U.S. industry as we proceed through the Framework negotiations.

If confirmed, I would like the Office of Automotive Affairs to aggressively assist me, members of the U.S. automotive industry, and the Congress on a full range of issues relating to helping our auto and auto parts industries in domestic and international markets. It is my impression, however, that the Office as currently structured is too small and inadequately staffed to play the enhanced role which I envision. If confirmed, I would attempt to strengthen this Office and its operation to improve ITA's effectiveness in responding to industry needs and concerns, while fulfilling a broader and more important mission than it currently does.

Q.9. In discussions about benchmarks for vehicles, it seems to me that there needs to be a clear distinction between vehicles going into Japan from transplant auto companies in the U.S., and those from traditional U.S. companies. If the Japanese agree to increase vehicle imports to a certain level, and they fulfill that commitment almost entirely by increasing imports of products from Japanese transplant automakers, it is unlikely that we will see needed changes in distribution, promotion of imports, and in the vehicle approval process, as well as other non-tariff barriers to vehicle imports in Japan. Do you share this view?

A.9. Yes, I share this view.

Q.10. Beginning October 1994, all vehicles sold in the U.S. will list the foreign and domestic content of that vehicle, according to the American Automobile Labeling Act. It seems that the Labeling Act may be useful to the Administration in measuring the domestic content claims of transplant auto producers. Does the Administration have any plans to use the Labeling Act to promote increased U.S. parts sourcing?

A.10. If confirmed, I would certainly recommend that the Administration examine all ways to promote increased U.S. parts sourcing. If the Labeling Act can help, I would support using it to promote our domestic parts industry.

Q.11. As was pointed out at our Committee's hearing last week on the TPCC report *Toward a National Export Strategy,* while the TPCC has made a good start, the task of strengthening America's export competitiveness is "an on-going process." What tasks that were not able to be accomplished this year do you hope to see achieved by the time the Second Annual Report is submitted to this Committee next September?

A.11. If confirmed, I would hope to oversee the day-to-day implementation of the TPCC report on behalf of Secretary Brown. It would be my objective to use the Second Annual Report to describe concrete results relating to the broad range of recommendations which has just been made, as well as to set out a strategy for the second year and beyond. I view the TPCC follow-up as one of my highest priorities. In addition to the ambitious agenda set forth in the report, ITA will analyze other issues not explored in depth in the first year (service exports, investment and tourism) and undertake a number of internal initiatives to complement and support the TPCC.

Q.12. One problem we have had as a nation is that we have not linked our trade negotiating priorities to job creation. For example, our negotiators have spent endless hours trying to open Japan's rice market when that wouldn't necessarily increase U.S. rice exports to Japan or create many American jobs. How are these sorts of issues being addressed by the TPCC and the ITA?

A.12. If confirmed, I would subject all the efforts of ITA, including the TPCC follow-up, to the test of whether such efforts are creating jobs. I understand the TPCC has established a budget process that will enable the government to make strategic resource determinations to ensure the goal of assisting the private sector in creating jobs is met. The process will be complemented by the application of rigorous performance measures to evaluate the effectiveness of ITA programs.

Q.13. The TPCC Report notes on page 2 of the Overview Chapter that "most of our industrial competitors have made a greater commitment to gathering information on potential exports opportunities than have we." As you know we have a huge agency, the CIA, that we have used for 40 years to gather and analyze political and military intelligence. Is there any consideration being given to have the CIA help gather, through non-clandestine means, and then analyze information on potential export opportunities?

A.13. If confirmed, I would attempt to work with the CIA to gather whatever information can be useful in the promotion of U.S. exports.

Q.14. In creating a coordinated export promotion program you are going to need to consider how available resources can be allocated among competing needs. How are you going to prioritize what geographic markets should be emphasized and for what kinds of industrial products?

A.14. My major criteria for prioritizing export opportunities will be the potential for job creation. We will have to mount an analytical effort to refine priorities, but I don't want this to began excuse for not moving ahead quickly.

Q.15. I have read your responses to the questions posed to you by Senator Rockefeller at the recent Finance Committee hearing relating to the way in which the Commerce Department makes adjustments under the antidumping law for indirect taxes which are not collected on export sales. Among other things, Senator Rockefeller noted that (1) "Congress plainly said that Commerce should make this adjustment by increasing the export price by the amount of indirect taxes not collected on the export sale," (2) "[f]or ten years now, Commerce has, refused to make the adjustment in the way Congress directed—even when told to do so by the courts," and (3) Commerce's "current [dumping margin-reducing] tactic is to add to the export price the tax imposed on higher home market sales rather than the lower tax amount excused on the lower priced export sale."

You should know that I share Senator Rockefeller's concern over the way in which Commerce has administered the law on this matter and, consequently, I have a few follow-up questions of my own.

Q.15a. You indicated that "[s]ome elements [of Commerce's practice] are currently on appeal to the Court of Appeals for the Federal Circuit." However, it is my understanding, that the specific practice which Senator Rockefeller was asking about (i.e., adding home market tax amount to export price) is not pending before the Court of Appeals. On the contrary, although the Court of International Trade declared such an interpretation to be unlawful in 1986, no appeal was ever taken from that ruling to the Court of Appeals for the Federal Circuit. Am I correct in this understanding?

A.15a. Yes, that is correct.

Q.15b. It is also my understanding that as a result of the Commerce Department's recent adoption of that judicially repudiated practice, Commerce has deprived the domestic industries producing steel, cement, television sets, telephone systems, antifriction bearings, pipe fittings, chemicals, tools, cooking ware, and other products of the intended benefits of the antidumping law as construed by our judiciary. We understand that the failure to follow Congressional intent may have been due to some bureaucratic resistance to changing a practice without the approbation of an appointed and confirmed Assistant Secretary or Under Secretary of Commerce. If you are confirmed, what steps do you plan to take, and when, to ensure that the antidumping law on this point is enforced as intended by Congress?

A.15b. If confirmed, I will investigate the actions which you have referred to in the context of my commitment to enforcing the antidumping law vigorously. I will also confer with relevant Congressional Committees as to their intent and recommendation.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR D'AMATO FROM JEFFREY E. GARTEN

Q.1. Last year, I fought on behalf of the workers at Smith Corona in Cortland for tough enforcement of our fair trade laws so that they could keep their jobs. After almost a decade fighting foreign dumping here in the U.S. and fighting our own government for fair enforcement of those laws, Smith Corona was forced to pack up and leave. As Under Secretary of Commerce, one of your key responsibilities will be enforcement of our fair trade laws. Do you intend to vigorously enforce our anti-dumping and countervailing duty laws? Do you believe that our trade laws are currently vigorously enforced? Do you have an administrative or legislative proposals for closing loopholes that exist in current law?

A.1. I do intend to vigorously enforce our antidumping and countervailing duty laws. If confirmed, I will immediately assess whether these laws are being enforced with adequate vigor now. I will examine the need and possibility of closing any loopholes that currently exist in the law.

Q.2. Another key responsibility will be fighting for more open foreign markets. While the U.S. has the most open market in the world, other markets remain closed to our exporters. What are your priorities in increasing access to foreign markets worldwide? To Japan?

A.2. If confirmed, I would begin with the Administration's stated priorities for opening foreign markets. It is my understanding that this includes vigorous enforcement of our unfair trade laws, tough negotiations in the Uruguay Round and tough bi-lateral negotiations in such areas as financial services, intellectual property rights, market access for our industrial products and agricultural goods. As for Japan, in particular, I would participate in the Framework Negotiations. As Under Secretary of Commerce, I would give special attention to negotiations on automobiles and automobile parts, telecommunications, construction, and medical equipment.

Q.3. Earlier this year, I spoke to Secretary Brown about access to Japan for the U.S. printed circuit materials (PCM) industry. The PCM market employs 7,000 people nationwide and hundreds of people in New York State. Park Electrochemical which has operations in my State has been trying to gain access to Japan for the last ten years. While the Japanese have put them off in one respect or another, the Japanese PCM market is now coming to the U.S. They are building a plant in Oregon which is scheduled to come on line this year. Will you fight to bring the U.S. PCM industry into the Japanese marker—now? When and how will you address this issue?

A.3. If confirmed, I would like to work with you to help the PCM Industry in anyway I can. I would bring myself up to speed immediately and would look forward to discussing alternative ways of proceeding with you and your staff. I understand a number of the problems PCM has is related to Japanese competition policy and existing buyer-supplier relationship that make it difficult for foreign firms to enter the market. I believe these are among the issues we will be addressing in the U.S.-Japan Economic Framework.

Q.4. What is the Administration's position regarding the import of multi-purpose vehicles (MPVs) and any proposals to change the tariff schedule as to whether an MPV is a car or a truck?

A.4. I am not aware of the Administration's position on this issue. However, If confirmed, I would give it immediate attention and would seek your views on future policy direction.

Q.5. Last week, this Committee received the first report of the Trade Promoting Coordinating Committee (TPCC), "Toward a National Export Strategy." What do you see as your role in coordinating, implementing, and advancing this agenda to assist U.S. exporters?

A.5. It is my understanding that if confirmed I would be responsible for day-to-day coordination of implementation of the follow-up to the TPCC Report, reporting to Secretary Brown. Specific TPCC initiatives that will be top priorities of ITA include the implementation of an aggressive coordinated interagency advocacy strategy, establishment of one-stop shops throughout the U.S., implementation of commercial strategic plans for each country with significant market potential.

Q.6. Do you plan any changes in the priorities for the Uruguay Round, and, in particular, any changes in the Administration's po-

sition on the so-called "sunset" provision as it affects antidumping duty order?

A.6. If confirmed, I would review the Administration's position on Uruguay Round priorities and on the "Sunset Provision" as soon as possible. Until that time, I could not be sure of whether I would recommend any changes in policy. Regarding the "Sunset Provisions," it is my personal view at this time, however, that Antidumping orders should remain in place as long as the exporters concerned continue to dump their products and cause injury to U.S. producers. Any sunset review standard should not place a burden of proof on those domestic industries which suffered injury in the first place.

Q.7. When a subsidiary of foreign producer resells dumped merchandise in the U.S., antidumping margin is based on the resale price to an unrelated customer. Under the GATT Antidumping Code and the practice of all of our major trading partners, the subsidiary's profits must be deducted from the resale price. In 1984 Congress asked the Commerce Department to explain why U.S. law and the laws of all of our trading partners diverge on this important issued. Since then, Commerce has not negotiated any changes in the international rules of our trading partners. Neither has it changed its interpretation of U.S. law. Would you commit personally to review this practice and the law? Will you then report back to the Congress, so that we can resolve this issue?

A.7. Yes, I would commit to review this practice and the law and I would report back to Congress.

Q.8. When foreign producers dump merchandise in this market through a related party—a subsidiary in the U.S.—they are able to absorb any antidumping duty without passing it on to their ultimate customers. And, although there is a Commerce Department regulation that should address this practice, it has not been applied to these related-party transfers. What steps would you take to correct this situation, if you are confirmed?

A.8. If confirmed, I would review Congressional intent with regard this issue, as well as current Commerce Department procedure. In addition, I would endeavor to review current regulations, possibly in an effort to improve past procedures and policies.

Q.9. Mr. Garten, I have read your responses to the questions posed to you by Senator Rockefeller at the recent Finance Committee hearing relating to the way in which the Commerce Department makes adjustments under the antidumping law for indirect taxes which are not collected on export sales. Among other things, Senator Rockefeller noted that (1) "Congress plainly said that Commerce should make this adjustment by increasing the export price by the amount of indirect taxes not collected on the export sale", (2) "([f] or ten years now, Commerce has refused to make the adjustment in the way Congress directed—even when told to do so by the courts," and (3) Commerce's "current [dumping margin-reducing] tactic is to add to the export price the tax imposed on higher home market sales rather than the lower tax amount excused on the lower priced export sale."

Q.9a. You indicated that "[s]ome elements [of Commerce's practice] are currently on appeal to the Court of Appeals for the Federal Circuit." However it is understanding that the specific practice which Senator Rockefeller was asking about (i.e., adding home market tax amount to export price) is *not* pending before the Court of Appeals. On the contrary, although the Court of International Trade declared such an interpretation to be unlawful in *1986,* no appeal was ever taken from that ruling to the Court of Appeals for the Federal Circuit. Am I correct in this understanding?

A.9a. Yes, you are correct.

Q.9b. It is also my understanding that as a result of the Commerce Department's recent adoption of that judicially repudiated practice, Commerce has—in the last six months alone—deprived the domestic industries producing steel, cement, television sets, telephone systems, antifriction bearings, pipe fittings, chemicals, tools, cooking ware, and other products of the intended benefits of the antidumping law, as construed, with supposed finality, by our judiciary. Numerous new lawsuits and the further wasting of private and government resources are thus assured. We understand that this latest refusal to follow the law may have been due to some bureaucratic resistance to changing a practice without the approbation of an appointed and confirmed Assistant Secretary or Under Secretary of Commerce. Presumably, that impediment to proper government conduct will soon be removed. Mr. Garten, if you are confirmed, please tell me what steps you would take, and when, to correct this egregious lapse of government responsibility which I have described to you.

A.9b. If confirmed I will investigate the practice described above and will move immediately to rectify any lapses of government responsibility which may have occurred. I will also confer with relevant Congressional Committees as to their intent and recommendations.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR DOMENICI FROM JEFFREY E. GARTEN

Q.1. As the Under Secretary of Commerce for International Trade you will be dealing with the former Soviet Union. In the last year, an increasing number of United States industries have seen significant evidence of certain market disrupting activities caused by products from the former Soviet Union coming into the United States with no regard for fair market value. Would you comment on the situation and state any additional steps (besides administering the Dumping and Countervailing Duty laws) that you are considering at the Department of Commerce or as part of the interagency trade group process?

A.1. If confirmed, I would give immediate attention to market disrupting activities caused by the former Soviet Union and other State-run economies. I would investigate all the products currently subject to Antidumping measures (uranium, ferrosilicon, and urea) and other issues raised in the interagency process and would do whatever I can to address this situation. Beyond administration of our Antidumping and Countervailing Duty laws, I would support current departmental efforts through a seminar program in Russia

and the Republics to help Russian officials and business people better understand our trade laws and the concepts on which they are based.

Q.2. The domestic potash industry has filed a Section 406(d) petition for negotiations with three republics of the former Soviet Union. An interagency working group has met to evaluate the petition. Some feel that Section 406 could be used to create a "win-win" trade opportunity for the U.S. and the former Soviet Union. What are your views about using Section 406(d) as a mechanism for addressing market disrupting practices?

A.2. I believe the U.S. Government should use whatever tools, including U.S. law, that are available to address market disrupting practices. I am not familiar with the distinctions among various provisions of U.S. trade law that could help deal with these practices. However, if I am confirmed, I will aggressively review the options for addressing these distorting practices, especially with regard to the U.S. potash industry.

Q.3. What is the status of the decision to pursue a 406(d) negotiation with the appropriate republics of the former Soviet Union?

A.3. As you stated, an interagency process is underway to determine the approach our government should take on potash. If confirmed, I will be participating in this process and would work with you and U.S. industry to determine the best course of action for our domestic producers, either within the context of Section 406(d) or some other provision of U.S. trade law.

Q.3a. Is the Commerce Department holding up the decision on whether to go forward with a Section 406 negotiation on potash?

A.3a. I am not aware that the Commerce Department is holding up the decision on whether to go forward with a Section 406 negotiation on potash. If confirmed, I will work to ensure that the U.S. potash industry is accorded its full rights under U.S. law and that unnecessary delays in action to assist the industry are avoided.

Q.3b. If not, which agency is holding up the decision?

A.3b. I am not aware of which agency or agencies are still formulating their position on whether to proceed with potash negotiations. However, if I am confirmed, I will work immediately to find out the status of U.S. government deliberations on this issue and fully inform you about any timetable for proceeding on potash.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR RIEGLE FROM LAURI J. FITZ-PEGADO

Q.1. The First Annual Report of the TPCC, which was released before this Committee last Wednesday, States that the Federal government will create a commercial strategic plan for each country with significant market potential. Will you also create an export strategic plan for significant economic sectors and industries, such as the auto industry, the aircraft industry, and the electronics industry?

A.1. Some of the recommendations in the recently submitted TPCC report have implications which are industry-specific: (1) regarding resource allocation, "deploy resources to those areas of the world

where the demand for U.S. goods and services is increasing, and to those sectors which are best positioned to exploit new opportunities"; and (2) regarding collection of country-specific information (which would include industry priorities), "replace more than one dozen country-specific reports currently produced by TPCC agencies with one comprehensive country specific commercial guide for each country. These guides would incorporate the information needs of all TPCC agencies and would be made available through the NTDB."

In the past, the U.S. Government has not prioritized resources by geographic target markets, or by different industrial sectors. The TPCC report stated that there is a need to determine where the U.S. government can make the biggest difference. As I understand, one opportunity identified in the Export Enhancement Act is environmental technology/services sector and a strategic plan already is underway. Although I am not yet in a position to enumerate specific goals for my tenure as Director General, I look forward to the coordinated, cross-cut analysis focused on important regions and sectors outlined for the National Economic Council (NEC) and the Office of Management and Budget (OMB). If confirmed, I will work closely with the industry specialists of the Trade Development unit of International Trade Administration (ITA) and Congress to focus on key sectors such as the auto, aircraft, and electronic industries. Perhaps next year's TPCC report can address the need for strategic marketing plans for these specific sectors.

Q.2. How do you plan on coordinating your efforts to prioritize markets for export promotion with the efforts of our trade negotiators in opening foreign markets?

A.2. I recognize the significance and importance of close coordination between all U.S. Government agencies involved in the development of export policy and promotion. I would ensure that this coordination is even further enhanced and an open and communicative relationship between the agencies is maintained. In particular, I would work closely with my colleagues within the International Trade Administration (ITA) who have the responsibility for policy development and coordination, as well as with the Office of the U.S. Trade Representative (USTR) in their efforts to develop and coordinate U.S. international trade, commodity and investment policies.

Q.3. The Foreign Commercial Service Officers cover 70 foreign countries. While this covers 94 percent of the current U.S. export markets, there is still a large role in export promotion for State Department officials. Historically, there has been a great deal of tension between the Foreign Commercial Service and State Department's Foreign Service. How do you plan to overcome the friction between the two?

A.3. The TPCC recommendations regarding the overseas network were developed in close coordination with the State Department as well as other agencies including the Agriculture Department, the Agency for International Development (USAID), and the U.S. Information Agency (USIA). I understand the US&FCS is working closely with the Americas Desk in the Economic Bureau at the State

Department to implement the TPCC recommendations for the overseas missions.

The process of working with State in developing the TPCC plan, as well as implementing its recommendations has, and will continue, to build on and improve this close working relationship both in Washington and overseas. Given my own experience working at U.S. missions overseas, I look forward to ensuring that Commerce's working relationship and communications with the State Department continue to grow stronger.

Q.4. When Secretary Brown presented the first annual report of the TPCC to this Committee last week he said that report was the beginning of "an ongoing process." What tasks would you like the TPCC to accomplish by the time the next report is presented to this Committee in September 1994?

A.4. *Toward A National Export Strategy* lays out an ambitious agenda for coordinated U.S. Government action in the next twelve months. If confirmed, I hope to play a major role in implementing the key TPCC recommendations specific to the US&FCS. Some of the major recommendations in the report include:

- Establishment of one-stop-shop in four cities in the beginning of CY 1994. The TPCC will test different approaches in these four plot sites and then select the best features for designing and extending the one-stop-shops to additional sites. The TPCC aims to identify 10 additional sites by June 1994, and establish them in CY 1995;
- Development and implementation of a commercial strategic plan for each country with significant market potential;
- Creation of the TPCC Advocacy Coordinating Network to develop and implement an effective system of aggressive advocacy in close coordination with the private sector;
- Creation of a unified budget for export promotion for FY 1995, which will include a budget request of $150 million for a Tied Aid Capital Projects Fund. (This fund will be used to provide a greater incentive for other countries to reduce their use of tied aid);
- Creation of a single, aggressive multilateral development bank promotion and business outreach office in the Department of Commerce;
- Creation of a centralized trade event process which will eliminate duplicative events and themes, ensure proper timing of events, and focus on industry sectors and overseas markets that offer the best sales potential;
- Initiation of a process to streamline the pre-export working capital guarantee programs of the Export-Import Bank (Eximbank) and the Small Business Administration (SBA) to make them more customer-focused;
- Establishment of an intensive educational program, illustrating the benefits of USG export financing, that is targeted toward private institutions, especially smaller and less internationally experienced banks; and
- Consolidation of all feasibility studies for major projects primarily designed to support U.S. exports, including concept design

and financial planning, into the Trade Development Agency (TDA).

Q.5. One of the countries to which the United States must increase exports is Japan. What effect has the depreciation of the dollar had on your Service's operations in Japan?

A.5. The depreciation of the dollar required that an additional U.S. $500,000 be sent to US&FCS/Japan to maintain their operations through the end of FY93.

It was extremely fortuitous for the US&FCS that during FY93, a gain of similar magnitude was made against devaluing European currencies, thus effectively balancing the loss sustained in Japan. However, because the net effect could not be anticipated, a number of Foreign Service National (FSN) vacancies in Japan were either temporarily or permanently unfilled for the remainder of the fiscal year to ensure that funds would be available.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR D'AMATO FROM LAURI J. FITZ-PEGADO

Q.1. Last week, this Committee received the first report of the Trade Promotion Coordinating Committee (TPCC); "Toward a National Export Strategy." As the head of the U.S. and Foreign Commercial Service, your role in coordinating, implementing and advancing this agenda to assist U.S. exporters both in the U.S. and worldwide will be critical. What are your first priorities? How will you train and organize your offices in the U.S. and worldwide in order to maximize the opportunities for our exporters?

A.1. My first priorities would be to initiate the one-stop-shop pilot sites with the Small Business Administration (SBA) and the Export-Import Bank (Eximbank); initiate with the State Department and other country team members the commercial strategic plan process at overseas missions; move quickly forward with cross-training, including trade finance training for US&FCS officers; look at the overseas resource allocation matrix to ensure FSNs have a greater role; and explore a "regional approach" to resource allocation in some areas overseas where it would be more cost effective.

Regarding training, my goal is to enhance the capabilities of the domestic and overseas workforce to ensure they are fully aware of all the resources and substantive knowledge, experience and know-how to identify the best markets for U.S. exporters and facilitate sales of U.S. products abroad.

To this end, US&FCS plans to train both its overseas officers and State-wide trade specialists in export finance. Although I am not yet in a position to elaborate on specific goals of US&FCS training, I understand a process is underway to design a series of sector-specific seminars to acquaint the staff with the export assistance needs of various industries. I understand there was a recent joint private sector-US&FCS training conference on telecommunications held in London is an example of this type of new program. The US&FCS is looking at training and exchange programs with small- and medium-sized firms as well as large corporations to better grasp how to provide better support for the full range of American business interests.

Q.1a. Do you foresee a problem of "turf" battles in trying to organize export programs of many different agencies? How do you intend to deal with them?

A.1a. I do not anticipate conflict with other agencies in trying to implement the TPCC recommendations. The TPCC member agencies worked closely and effectively together in the preparation of the TPCC report, and I am personally committed to doing everything I can to make the TPCC export strategy work.

My understanding is that the process of preparing the TPCC report has resulted in an important evolution in the culture of interagency relations. I believe it was Senator Riegle who mentioned, at the hearing on September 29, 1993 on the TPCC report, that when this Committee held its first hearings on trade promotion, that none of the people at the table testifying from different agencies knew each other. No longer is that the case. Agencies which previously had minimal contact have now developed close working relationships. That kind of ongoing communication will be useful in resolving past differences and will be the bedrock for developing an even more effective trade promotion system in the United States.

Q.1b. What experiences make you uniquely qualified to manage a worldwide network of commercial service offices?

A.1b. My intercultural experiences, beginning as a student of foreign languages, cultures, politics and economics have provided the foundation for effective interaction with a global network. I gained practical management experience very early in my career as a foreign service officer during two overseas tours and temporary assignments—managing Americans and foreign service nationals. My own experience managing at U.S. missions abroad gives me important insight into the needs of our overseas offices—our American officers as well as the Foreign Service Nationals (FSNs), and the importance of developing a constructive relationship with other foreign service agencies particularly the State Department.

My career experiences have required both strong management skills and international expertise. At Hill and Knowlton, I was responsible for management of many accounts, large and small, domestic and international. The crisis management situations I confronted in the private sector have provided additional skills and experience I expect to serve me well at the Department of Commerce.

I also have managed a network of regional offices during my tenure in the private sector. The practical coordination and management issues which I then addressed will be similar to those challenges expected at the US&FCS.

Q.2. Given that we all know the statistics on how important exports are to job creation and economic growth, what do you see as the role of your offices in promoting the goal of increased exports? In addition to increasing exports, what role, if any, will your offices play in advancing goals to open markets to our exporters?

A.2. The primary objective of the U.S. and Foreign Commercial Service—both the domestic and overseas offices—is to promote U.S. commercial interests and specifically to increase exports. It is truly gratifying to see that now, through the invaluable impetus this committee has given to the TPCC, and the leadership of Secretary Brown, the export promotion efforts of the US&FCS, ITA and the

Department of Commerce will be joined in a coordinated and strategically focused manner with the activities of other Federal agencies. Given the potential impact the implementation of the export strategy can have on our economy, it is both a challenging and exciting time to be involved in export promotion.

I see the special role of the US&FCS as one key to export promotion in the domestic and overseas fields as well as in Washington, D.C. The US&FCS is the foundation upon which other field developments can be built, working closely with other TPCC agencies, developing inter-agency and intra-agency synergy that will allow us to leverage programs and reach a greater number of firms with improved services and support.

Q.3. The General Counsel at the Department of Commerce has written that you will disqualify yourself, for one year, from activities in which you or your former firm provided services. Are there conflicts of interest currently? Where? Who will carry out your responsibilities if a conflict arises? What impact will these matters have on your ability to fulfill your responsibilities as Assistant Secretary?

A.3. I have no conflicts of interest. If the situation arises in the future where such conflicts, or potentially perceived conflicts arise, I will consult with the office of the General Counsel to determine an appropriate mechanism for addressing the issues at hand. If such a case should arise, matters will be handled by my Principal Deputy or Deputy Assistant Secretaries. I do not believe that my ability to fulfill my responsibilities as Assistant Secretary will in any way be hampered by problems or actual or perceived conflict of interest.

Q.4. The Export Enhancement Act of 1992 required that foreign commercial service officers be trained in the particulars of Federal finance programs and procedures. What is the status of this training effort? Are employees being trained in seminars? On a one-to-one basis? What is the timeframe for completing this training?

A.4. As mandated by the Export Enhancement Act of 1992, the US&FCS has undertaken a trade finance training program for its foreign commercial service officers. The pilot training course ran from August 16–21, 1993 in San Diego, California. In that course, 21 domestic officers and 3 overseas officers, as well as 4 SBA representatives participated.

As I understand, the private sector was consulted during the curriculum development, and representatives of banks, financiers, insurers and exporters participated as presenters and resources during the course. The course was based on case studies to demonstrate the application of financing resources (Federal, State, private). I understand the pilot training course was extremely successful.

US&FCS plans to conduct a series of training courses that will incorporate one-on-one trade finance training for the one-stop-shop sites as they are established. 25 US&FCS domestic field staff and their counterparts at SBA and Eximbank will receive this training by January 30, 1994. The overseas staff will be including a training module based on the trade finance training pilot in the mid-level officer training program.

Q.5. In your statement, you discuss the establishment of "one-stop-shops" for marketing and finance consulting. One of my biggest concerns is getting capital to small businesses so they can export their goods abroad. What position do you see these "one-stop-shops" playing in helping small businesses enter the international marketplace?

A.5. One-stop-shops will play a critical role in assisting small businesses. For small companies that are interested in exporting, but not quite yet "export ready," the one-stop-shop will provide them with training and referral information. Small businesses that are export ready will have everything they need to complete an export transaction at one location. They will have access to the trade and marketing data normally provided by the Department of Commerce as well as trained representatives from Eximbank and SBA, who will provide these small companies with a complete range of trade finance services.

With the establishment of one-stop-shops, there will finally be an integration of the marketing and trade finance functions so important to small exporters.

Q.6. What countries and regions do you see as under-explored in terms of export promotion? Do you see voids in the markets of certain American products and industries? What innovative ideas do you have to get American products and companies in the overseas markets?

A.6. Several regions in the world have export potential that has not yet been fully explored including the Mercosur region in South America, particularly Brazil, Chile, and Argentina; countries in the Asia-Pacific region and nations of Africa.

Brazil, with a Gross Domestic Product (GDP) growth rate of over five percent, is opening its borders to foreign imports and competition, keeping pace with Argentina where U.S. exports are expected to grow by 25 percent a year through 1995.

With the lifting of trade sanctions in South Africa, the Secretary is planning to lead a commercial mission to South Africa. Trade implications from the lifting of sanctions are significant not only for developing U.S. exports to South Africa, but developing the rest of the continent as well.

The Asia Pacific region is one of the fastest growing and most lucrative markets in the world for U.S. exports. However, this is a region deserving considerably more focus and attention from the U.S. Government, particularly in the area of export promotion. The rapidly growing high-tech and infrastructure industries provide sizable export opportunities for U.S. businesses and high-paying jobs for Americans. With increased emphasis on the Asia Pacific Economic Cooperation (APEC) and further expansion in China, this area provides an even greater opportunity for U.S. exporters.

The TPCC report described several innovative initiatives for improving Federal trade promotion activities. Overseas, US&FCS will work with the Department of State and other agencies to ensure that the embassy teams are fully involved in providing assistance to U.S. exporters. Domestically, US&FCS will play an important role in combining the resources of Commerce, Eximbank, and SBA

in "one-stop-shops" to provide a full range of marketing and financial programs throughout the country in a coordinated way.

Another innovative TPCC initiative is for the US&FCS to work more closely with the private sector to disseminate commercial information to potential and active U.S. exporters and involve them to the extent possible in developing overseas trade events. If confirmed, one of my highest priorities at US&FCS is to make information and services more readily available to as many export-ready American companies as possible and help those firms with export potential reach that potential.

The creation of the Advocacy Coordinating Network, as described in the TPCC report, is another innovative way for the U.S. Government to provide U.S. small, medium and large businesses with the needed support to win lucrative contracts and procurements overseas. If confirmed, I look forward to working with my colleagues at ITA and the other 12 Federal agencies involved in the advocacy network.

Q.7. What specific "turf" problems do you see arising with your counterparts at the Department of State and Defense over the issue of export promotion/export controls?

A.7. I do not foresee any conflicts with either the Department of State or Defense on the issue of export promotion and/or export controls. If confirmed, I look forward to working closely with these agencies in implementing the TPCC recommendations overseas. While each agency has its own special roles to play in furthering the interests of U.S. exporters overseas, we are united in our understanding of the priority that must be given to promoting U.S. exports, and the need to work together to leverage U.S. Government resources.

Q.8. How do you see the division between the State Department and US&FCS officials in overseas offices? Where is the line drawn of the duties from the State Department's Ambassadors and the US&FCS commercial officers? How do you plan to reduce the redundancy?

A.8. The Memorandum of Understanding (MOU) between the Department of State and the Commerce Department signed in 1980 (when the administration of the Foreign Commercial Service was transferred to Commerce from State) stated that senior commercial officers (SCOs) in each country would report directly to the Chief of Mission, or the Ambassador. The recently submitted TPCC report maintains this chain of authority, with the Ambassador having the ultimate in-country authority over all personnel in the mission, regardless of the agency.

The new role SCOs will play at the overseas posts is to chair a "mission core commercial group" under the overall direction of the Ambassador. A country Team, which will include the heads of all agencies at post, will coordinate these efforts in order to effectively coordinate the mission's commercial and export promotion activities. In this manner, redundancy will be eliminated and improved cooperation will ensure better quality information for U.S. exporters.

Q.9. What do you see as the most important accomplishment of the previous Administration? What can be done to take it to a higher level?

A.9. A number of accomplishments come to mind. As I understand, the US&FCS Strategic Review resulted in a sharper organizational focus—a focus on export ready firms; a client-based servicing orientation; and recognition of the importance of leveraging resources with the States and private sector. The former Assistant Secretary and Director General of the US&FCS, Susan Schwab, addressed critical and emerging needs by increasing overseas staffing in Japan, Mexico, Eastern Europe, and the Newly Independent States (NIS). She also implemented the redesigned Commercial Information Management System (CIMS), a powerful commercial information gathering and dissemination system, as well as office automation and communications tools to assist US&FCS staff in the domestic and overseas offices. I am particularly pleased to note that the installation of CIMS in all US&FCS domestic and overseas offices is essentially complete. Another important accomplishment are the new training programs instituted to build field staff skills, and the recognition of the need for the integration of domestic and overseas staff.

This is an important set of accomplishments, which in certain key respects anticipated TPCC recommendations, and positioned US&FCS for the important role it will play in implementing TPCC strategy.

If confirmed, I will build on the foundation built by Susan Schwab by implementing a strategic plan which: 1) integrates the domestic and overseas fields and ensures that US&FCS domestic and overseas personnel are fully trained, especially in the areas of trade and export finance; 2) enhances the role and responsibilities of Foreign Service Nationals (FSNs), especially in countries where there are no US&FCS officers; and 3) adopts a "regional approach" to resource allocation. I look forward to working with Congress, my colleagues in ITA and the TPCC agencies in developing this strategic plan.

Q.10. You state that the United States and Foreign Commercial Service has 69 domestic offices and 131 overseas offices located in 70 countries. How do you plan to integrate the domestic offices with the overseas offices?

A.10. Historically, the domestic and foreign staffs of the US&FCS have had limited integration of their operations, principally through joint training exercises and through periodic limited appointment assignments of domestic staff overseas and assignment of foreign staff to domestic district office positions. The need to integrate the two fields was recognized in the Strategic Review of the previous administration, but limited progress was made in this area.

Currently, US&FCS senior management is developing an aggressive plan to fully integrate the senior district office trade specialists into the foreign service, creating for the first time a single, unified US&FCS. Training programs are incorporated into the plan to ensure that the workforce is equipped for any assignment, worldwide. Career paths are being developed to improve the preparation of

US&FCS officers so that each individual is most sensitive to the practical needs of U.S. business. Recruitment of all new officers under the integrated US&FCS will be performed through a rigorous, competitive Foreign Service Assessment Center system, with a requirement that each person serve a tour of duty domestically before being assigned to a post overseas.

Q.11. Did US&FCS spend all the money Congress appropriated to them in FY 1992 and 1993? If not, where did the excess funds go?

A.11. As I understand, US&FCS spent all but approximately $200,000 of its $101,283,000 allocation in 1992. These "no year" funds were subsequently used by US&FCS in FY 1993 to acquire CIMS computer equipment for its overseas offices.

The FY 1993 end-of-year close will be complete on November 1, 1993. Until then, US&FCS will not have an official accounting of its FY 1993 expenditures. It is expected that the only unobligated balance would be approximately $466,000. These funds were specifically earmarked by Congress for use in the Newly Independent States (NIS) initiative. Because of unavoidable delays in securing new office leases in St. Petersburg, Vladivostok and Almaty, the US&FCS was unable to enter into related telecommunications and renovation contracts prior to the end of the fiscal year. This "no year" money will be carried over by US&FCS and spent for these purposes as soon as the leases are signed.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR RIEGLE FROM JOHN DESPRES

Q.1a. It seems to me that the best way to control exports is by educating the business community about what export controls mean and why they are important. Does the Office of Export Enforcement have a pro-active approach to export controls?

A.1a. The Office of Export Enforcement has a pro-active approach to export controls which recognizes that educating the business community about what export controls mean, why they are important, and how to comply with and help enforce them is the most generally effective and least costly way to prevent illegal exports by the vast majority of law-abiding citizens.

Q.1b. What are some of the programs that are in place now and if confirmed, do you have plans to expand on them?

A.1b. Currently, the Office of Export Enforcement (OEE) has a diverse and active educational program, which complements several related programs by other offices and agencies, including a far-reaching and continuous Operation Outreach; occasional open forums and meetings for export executives with a travelling Business Executives' Enforcement Team (BEET); special nonproliferation presentations for selected commercial and industrial sectors; production and dissemination of educational publications; and presentations to participants in export control and trade promotion seminars, both in the U.S. and abroad.

Since educating the business community is a key to effective export control, I intend to review all these activities and other options in order to plan the best use of the limited resources available for enforcing the export control laws.

Following are brief descriptions of recent activities:

OPERATION OUTREACH

Initiated in the mid-1980's and used as a model by the Customs Service and FBI for their programs, this program works through OEE's field offices to make contact with individuals and firms involved in exporting. Special Agents visit them to explain the rationale and requirements of the export control system and to answer their questions on how to comply with the law. These visits also provide occasions for agents to learn from firms about suspected or anticipated violations of the law, and for the firms to avert unwarranted delays or costly inspections of their legitimate exports as a result of active investigations by Commerce or Customs.

BUSINESS EXECUTIVES' ENFORCEMENT TEAM

The Office of Export Enforcement in 1992 created an inter-agency Business Executives' Enforcement Team to improve communication between industrial export executives and leading Federal export enforcement officials. It sponsored a series of "town hall" meetings throughout the United States to provide a forum for answering questions and airing concerns. Following this initial series in 1992, it held eight such meetings in 1993 and aimed them at new industries in new venues, including Long Island, home to the East Coast's aerospace industry; Cincinnati, Ohio a center of America's machine tool industry; Houston, Texas, the southern hub of the petrochemical industry; and Minneapolis, Minnesota and Irvine and Palo Alto, California, where major computer, semiconductor, and aerospace firms are located. During these open forums, hundreds of industrial export executives met, heard from, and discussed their concerns with leading Federal export control officials.

SPECIAL PROGRAMS

To make non-proliferation policy more effective, the Office of Export Enforcement created special programs which identify and educate those sectors whose active cooperation is more important than before, such as the freight forwarding community and the chemical industry.

EDUCATIONAL PUBLICATIONS

To complement its face-to-face educational program, the Office of Export Enforcement has also created a number of brochures and leaflets to educate firms on export control issues.

EXPORT CONTROL AND TRADE PROMOTION SEMINARS

The Department of Commerce's Special Agents and other enforcement officials also participate in diverse government and industry-sponsored export control and trade promotional seminars. They not only discuss current policy and programs, but also explain the necessity of creating a partnership between government and industry for successful export enforcement. International seminars attended by subsidiaries of U.S. firms and their foreign customers are also used to raise their awareness of export control policy and enforcement needs.

Q.2a. In the past, the Department of Commerce and the Customs Service have had difficulty in cooperating with each other in enforcing export controls. In what ways do you believe this relationship could be improved?

A.2a. The Department of Commerce and the Customs Service can and should work more effectively with each other in several ways in order to improve the enforcement of export control laws. Indeed, the Clinton Administration has already taken an early, important, and long overdue step in this direction. In September, after many years of Congressional prodding and several unsuccessful negotiations, Commerce and Customs finally agreed and signed a memorandum of understanding and procedures for coordination which foster the sharing of licensing and enforcement information and the conduct of joint investigations. To improve cooperation, the Assistant Secretary of Commerce for Export Enforcement should work closely with the Commissioner of Customs in overseeing the implementation of these agreements and in evaluating proposals for new legislation which could strengthen enforcement of the export control laws.

Q.2b. What do you believe should be Customs' role in enforcement of export controls?

A.2b. Notwithstanding its many other priorities and law enforcement responsibilities, the Customs Service has a large and essential role in enforcing export controls as a result of its extensive and diverse investigatory forces, resources, and authorities, especially at U.S. ports, along the borders, and overseas. In my view, the Customs Service's role should be both complementary to and readily cooperative with the Offices of Export Enforcement and of Enforcement Support in the Bureau of Export Administration of the Department of Commerce. That is, the Customs Service should operate both independently and jointly with the Department of Commerce at home and abroad to prevent and investigate illegal exports; routinely provide information to the Department of Commerce for consideration in reviewing export license applications; and refer non-criminal cases to the Department of Commerce for possible administrative sanctions.

Q.3. In the coming months, this Committee will be involved in re-drafting the Export Administration Act. Can you tell me, in your view, what you see as being some of the changes needed to the Enforcement Section of that Act?

A.3. In re-drafting the Export Administration Act to improve the enforcement of export controls, there is a need to consider additional authorities for investigators, stiffer administrative and criminal penalties for violators, and stronger incentives for foreign countries to enforce multilateral non-proliferation controls.

Q.4. Do you see a need for enhanced intelligence from within the United States Government agencies to curb proliferation? In what ways do you believe intelligence could be enhanced to control exports more effectively?

A.4. Enhanced intelligence will be needed to acquire more usable evidence of illegal export-related procurement, diversion, and espionage activities that contribute to the proliferation of weapons of

mass destruction. In general, I believe that the Intelligence Community could help to produce more usable evidence if it were directed by policymakers and encouraged by the Congress to contribute more to enforcing export controls. Moreover, the Intelligence Community's management should develop the specific mix of sources and methods that would most effectively support the enforcement of export controls.

Q.5a. Did you believe in 1988 that export sanctions against Toshiba made sense? If not, why not?

A.5a. In 1988, I believed that U.S. sanctions were needed to penalize Toshiba Machine for several reasons: Toshiba Machine had been found guilty of illegally exporting 5-axis milling machines to the Soviet Union in clear violation of COCOM agreements; the government of Japan could only impose the inadequate penalties permitted by the law that was in effect at the time of the crimes, not the heavier penalties permitted by Japan's new export control law enacted in response to this serious breach of COCOM; and U.S. sanctions would serve as a warning to other COCOM countries whose export control laws and enforcement policies were also badly inadequate.

Q.5b. Did you challenge other assessments of the CIA about other possible COCOM illegal exports to the Soviet bloc by Toshiba? If so, why?

A.5b. As Senator Bradley's designee on the staff of the Select Committee on Intelligence, I was responsible for overseeing the quality and effectiveness of the Intelligence Community's assessments, including its analysis of allegations that the Toshiba Corporation had illegally exported or transferred semi-conductor manufacturing equipment or technology to COCOM-proscribed countries in Eastern Europe.

In 1988, I was asked to examine all the evidence on these issues and to evaluate the alternative views of particularly those at the Central Intelligence Agency and at the Bureau of Intelligence and Research of the Department of State.

Q.5c. Do you favor a policy of denying access to the U.S. market to foreign companies that violate multi-laterally agreed upon export controls as a means of deterring such behavior by such companies?

A.5c. I continue to favor a policy of denying access to the U.S. market to foreign companies that violate multi-laterally agreed upon export controls not only as a means of deterring such behavior by such companies but also as a way of inducing foreign governments to strengthen and enforce their own export control laws more effectively.

Q.6. On page 60 of the First Annual Report of the TPCC, released before this Committee last week, it is stated that by January 31, 1994 the Administration will prepare a status report with recommendations to further streamline the export licensing process. As you know this Committee has jurisdiction over the Export Administration Act which gives the President authority to control dual-use exports. We look forward to working with: the Administration as it prepares its recommendations which we will then have

to put in the form of legislation. Is it your intention to work with this Committee in the process of formulating those recommendations?

A.6. I intend to work with the Senate Committee on Banking, Housing, and Urban Affairs as the Administration formulates its recommendations for renewing the Export Administration Act next year.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR D'AMATO FROM JOHN DESPRES

Q.7. Your experience is vast as it relates to the "cold war" and our need for an extensive system of export controls. How does this experience make you uniquely qualified to transition the export control system into a new era? What are your priorities in doing so?

A.7. My experience with export controls has not been limited to their uses in the Cold War. It has dealt even more with stemming proliferation in South Africa, Israel, India, Pakistan, Iraq, Iran, Libya, North Korea, Argentina, Brazil, Taiwan, South Korea, and their suppliers. It has also been as much involved with the international as with the domestic aspects of enforcing export controls. I have learned from this experience why the U.S. should and how it can be a model and mentor to countries who share our interests in enforcing multilateral export controls.

If confirmed, my priorities for the export control system will be to strengthen both domestic and foreign enforcement of controls on exports that contribute to proliferation. I will also help to reinvent the export control system by working with Congress on rewriting and renewing the Export Administration Act. Finally, I plan to keep enforcing the anti-boycott laws as long as countries of the Arab League unfairly discriminate against U.S. companies that do business with Israel.

Q.8. Last week, this Committee received the first report of the Trade Promotion Coordinating Committee (TPCC), "Toward a National Export Strategy." As the head of the export enforcement agency, what is your role in coordinating, implementing and advancing this agenda to assist U.S. exporters?

A.8. Since the Assistant Secretary of Commerce for Export Enforcement is among those responsible for screening and evaluating export license applications, I expect to help plan and implement the streamlining of the export license review and decision-making process. As the head of Commerce's export enforcement agency, I would also set policies and participate in programs to educate U.S. exporters, especially businesses that are new to export markets, on how to ensure both that their export expansion plans do not violate export controls and that export controls do not impede their expansion plans.

Q.9. I understand that a decision has been made in support of reorganizing the export control bureaucracy and to present that initiative by January 15, 1994. Do you believe you will have enough time, once confirmed, to meet that deadline? Or, do you see a further delay?

A.9. I believe that the Administration will be in a position to present its position on the possible reorganization of the export control system by January 15, 1994, if not sooner, in connection with its proposal for a renewal of the Export Administration Act.

Q.10. U.S. exporters need to be able to cut through the "red tape" of the licensing process if they are going to be competitive. On September 10, 1993, the Department of Commerce announced a Memorandum of Understanding (MOU) providing for the sharing of BXA export licensing data with Customs and Export Enforcement Coordination Procedures (EECP).

This MOU is intended to expedite the clearance of goods being exported through U.S. ports and borders and to assist in investigations of possible export violations. Will you make implementation of this MOU a priority? What is the timeframe for completing the initial implementation/sharing of information? How will the export licensing process actually get easier?

A.10. While the Memorandum of Understanding (MOU) between the Bureau of Export Administration and the U.S. Customs Service concerning the Exchange and Protection of Information is intended to expedite the clearance of goods being exported through U.S. ports and borders and to assist in investigations of possible export violations, it is also intended to ensure that all pertinent facts available to the U.S. government be considered in reviewing export license applications. It will thus help to improve the reliability of licensing decisions, strengthen enforcement of export controls, and diminish unwarranted inspections or detention of shipments at U.S. ports and borders.

I intend to give priority to the full implementation of this MOU. Indeed, it has already begun to be implemented on schedule and the initial exchange of information has been completed. When fully implemented, this should ease the burden on legal exporters by improving the reliability of licensing decisions and by obviating the need for Customs to delay shipments.

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